

104
INTERNATIONAL EXCHANGES

Y 4. IN 8/16: EX 2

International Exchanges, Hearing, 1...

HEARING

BEFORE THE

SUBCOMMITTEE ON

INTERNATIONAL OPERATIONS AND HUMAN RIGHTS

OF THE

COMMITTEE ON

INTERNATIONAL RELATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

JUNE 25, 1996

Printed for the use of the Committee on International Relations



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INTERNATIONAL EXCHANGES

TUESDAY, JUNE 25, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN
RIGHTS,
Washington, DC.

The subcommittee met, pursuant to call, at 2:09 p.m. in room 2200, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee), presiding.

Mr. SMITH. The subcommittee will come to order.

I am very pleased to convene this hearing of the Subcommittee on International Operations and Human Rights as we welcome Dr. Joseph Duffey, Director of the U.S. Information Agency, and Associate Director, John Loiello.

The mission of USIA has been broadly defined as public diplomacy—the communication of information about the United States and the transmission of the American perspective and of American ideas and values. Educational and cultural exchanges have been an important part of this mission.

As with every other institution that helps to conduct the foreign policy and relations of the United States, public diplomacy has been undergoing a re-examination during the last several years. This re-examination has been prompted by the fall of the Iron Curtain and the presumed end of the cold war.

Some say we no longer need public diplomacy at all. I believe this view is gravely mistaken. First, about one-fourth of the world's people still live under communism. Others are governed by rogue regimes such as the military governments of Burma, Iraq and Libya. Then there are nations which have begun to adopt freedom and democracy, but in which these institutions have not firmly taken hold. Finally, there are peoples in the world who are fully free but to which our official diplomatic structure pays insufficient attention, perhaps precisely because they are not regarded as trouble spots.

In order for the institutions of public diplomacy to survive, however, those of us who support them must show that they really do serve the purposes by which we seek to justify them. In the case of educational and cultural exchanges, this means that such programs must be designed to communicate and promulgate American values. This means, among other things, that we must carefully target our programs to ensure participation by people who are likely to be receptive to such values—not by those who actively participate in suppressing them. It also means that we must avoid simply

giving free trips to people who could probably find a way to visit the United States even if there were no USIA exchanges. And it means vigorously cutting programs which duplicate other programs which spend too much on overhead or whose relationship to the promotion of freedom and democracy is too attenuated to justify the expense.

The USIA budget for educational and cultural exchanges has been dramatically reduced over the last three fiscal years. In FY 1995, the amount spent on these programs was \$272 million. This included a \$53.9-million transfer to USIA from USAID. In FY 1996, the appropriated amount was reduced to \$200 million and there was no USAID transfer this year and USIA has proposed to shift a further \$9 million from exchanges to its salaries and expenses account. After this and other transfers out of the account, the amount available will be approximately \$178 million.

The Administration's budget request for FY 1996 proposes \$202.4 million. Roughly a 1-percent increase from the amount appropriated for FY 1996, but still a dramatic cut from FY 1995.

In distributing these cuts so as to do the least possible harm to the function of public diplomacy, it is imperative that USIA look closely at the principles that justify educational and cultural exchanges. We can best serve these principles first by preserving and strengthening small targeted programs directed to people who need them the most, such as programs for the enslaved peoples of Tibet, Burma and East Timor, and for our allies in the South Pacific who have been too often ignored by our foreign policy apparatus.

It is also important to cut projects that do not serve these principles or which actively disservice them. As you know, Dr. Duffey, I vigorously objected to a grant that had been tentatively approved to take place in FY 1996 which would have brought Chinese military personnel to the United States to visit our military installations and observe our military decisionmaking processes. Aside from the obvious security implications of such a project, it would have amounted to a U.S. taxpayer subsidy to the Chinese military, which can easily afford to pay its own way. Dr. Duffey, I am very pleased that, on re-examination of that project, you canceled it and I feel certain that the U.S. taxpayers will be pleased as well.

Finally, in all of these programs, USIA should seek the participation of human rights and pro-democracy activists and, where appropriate, of people who have been exiled because of these beliefs and activities.

I would like to ask my good friend and colleague from California, Mr. Lantos, the ranking member of our subcommittee, if he has any opening comments.

MR. LANTOS. Thank you very much, Mr. Chairman. Just a very few observations. I am in another meeting, and I came in because I personally want to express my unqualified admiration and respect for the work Dr. Duffey has done in this extremely important assignment. He has brought a degree of historical perspective, statesmanship, managerial skill and an understanding of the importance of international exchanges which is truly extraordinary.

I must say that I am profoundly disturbed by the precipitous and wholly counterproductive cuts in the budget of this agency. These are among the most productive, useful, significant tax dollars we

can spend and—as in many other areas—short-term, ill-informed, ill-advised reductions will create enormous problems for us down the road.

I just want to reflect on two items not directly related to this agency and Dr. Duffey's work. The Washington Post a few days ago, on its front page, I believe, had a comparative chart of the U.S. aid programs compared to other advanced industrial countries. We were the lowest in foreign aid as a percentage of gross national product of any of the advanced industrialized countries on the face of this planet. From Norway to New Zealand, they were way ahead of us. As a matter of fact, I would like to ask that that Washington Post article and chart be made part of this record, Mr. Chairman, if I may.

Mr. SMITH. Without objection.

[Materials submitted for the record appear in the appendix.]

Mr. LANTOS. What it shows is that small, developed, civilized, industrialized countries like Denmark or Norway or Holland, on a per capita basis, spend ten times as much—ten times as much—on international aid programs as we do.

I need not remind anyone—certainly not you, Mr. Chairman—that some of us were advocating at the time of the collapse of the Soviet Empire and the Soviet Union that we step in with some significant lubrication of these gigantic historic developments. We did not. The West did not. That is why we were sweating it out the last couple of weeks, seeing whether the Russian people will choose a Communist regime voluntarily in free and open elections or whether Mr. Yeltsin, not much of a Democrat any more, will succeed in sneaking in. He barely made it—36 to 32 percent.

Had we done the intelligent and far-sighted thing 7 years ago, and 6 years ago, and 5 years ago when these opportunities were there, today there would be a far more stable pro-Western friendly democracy existing in Russia—not a country which is increasingly less and less friendly to us, a country that increasingly is interested in developing ties with Iraq, Iran, Libya and other rogue regimes, a country where our leverage has diminished enormously. In the international exchange field again, we are engaging in some of the most short-sighted foreign policy moves of this century.

I would like to serve notice, Mr. Chairman, that I will do my utmost to assist the work of Dr. Duffey's outstanding organization and to strengthen his remarkable leadership. These are the most important measures we can take on behalf of advancing U.S. national interests and we are moving in the opposite direction. I want to commend you for holding this hearing and I want to assure Dr. Duffey publicly that he will have my full and unqualified support in his most important work.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much, Mr. Lantos.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Mr. Chairman, I, too, would like to commend you for holding this hearing this afternoon and certainly associate myself with the comments made earlier by my good friend and gentleman from California, Mr. Lantos. I want to offer my personal commendation to Dr. Duffey for the splendid job that he has done on this very important program that some Members in Con-

gress may not be aware of. I know that over a period of years, through participation in foreign exchange programs, well over half a million students from foreign countries attend our American colleges and universities. I feel very strongly that with this exposure, these students not only gain an education and technical skills but a better understanding of our social system, political system, and what America is about—and especially what democracy is about.

Indonesia is a good example of students coming to the United States. The government of Indonesia sent their brightest students to study at UC-Berkeley in the economics department and the group later was labeled the "Berkeley Mafia". After exposing themselves to our educational system, these top students in economics went back and rebuilt the economy of Indonesia as it now stands. They laid a solid foundation and it was because of their attending our universities. This has also occurred in countries like South Korea and Taiwan; you find that many leaders are graduates of our top universities in this country. So I want to publicly commend Dr. Duffey for the tremendous job he has done despite the cutbacks to USIA imposed in recent years. With what is happening in Eastern Europe and the events transpiring in the Asia-Pacific region, the importance of mutual understanding between nations is growing in importance.

I would like to thank Dr. Duffey for the help that he has given to our small little initiative, the scholarship program provided for the small island nations in the South Pacific. I would like Dr. Duffey to know that with some 500 top students applying for a mere 15 scholarships, the student recipients are going to be the ones setting the foundation and the framework of the future leadership of these island nations. One day we are going to be in need of their help and their assistance.

Our nation should be at the forefront of the global community and I could not agree more with what the gentleman from California stated earlier about how low our assistance is to countries who really have a real need to send their top students to attend U.S. universities. I hope that this program will continue and receive increased funding.

Mr. Chairman, I do have a statement for the record and, in the interest of time, I would like to submit it for the record.

Mr. SMITH. Without objection.

[Materials submitted for the record appear in the appendix.]

Mr. FALEOMAVEGA. And, with that, I welcome Dr. Duffey and his associate and look forward to hearing from his testimony this afternoon.

Mr. SMITH. Thank you very much, Mr. Faleomavaega.

Mr. Berman.

Mr. BERMAN. Hi, Joe.

Mr. SMITH. That is the shortest opening I have ever heard.

I would like to introduce Dr. Joseph Duffey, who was appointed Director of the U.S. Information Agency by President Clinton in April 1993. Prior to joining USIA, he served as president of The American University, where he also held a professorship in sociology. Dr. Duffey served as Assistant Secretary of State for Educational and Cultural Affairs and chaired the National Endowment for the Humanities during the Carter and Reagan administrations.

Dr. John P. Loiello was appointed Associate Director for Educational and Cultural Affairs of the U.S. Information Agency in May 1994. Previously, he served as president and CEO of the Gowen International Limited, an international consulting firm. Dr. Loiello was instrumental in the development and creation of the National Endowment for Democracy and he was the founding executive director of the National Democratic Institute for International Affairs.

So, Dr. Duffey and Dr. Loiello, welcome. Please proceed.

**STATEMENT OF THE HONORABLE JOSEPH DUFFEY,
DIRECTOR, U.S. INFORMATION AGENCY**

Dr. DUFFEY. Thank you, Mr. Chairman.

I would like, first, to submit an opening statement for the record in which I have tried to present the case as closely reasoned as I can about these programs and how we have been trying to administer them.

Then I would like to ask if I might introduce three other documents into the record. The Heritage Foundation has recently done a briefing on public diplomacy and I think has pretty well parsed out the debates that are taking place about the future of public diplomacy and it is written on the basis of a very clear understanding of what USIA does. I would like, if I may, to enter that for the record, and a statement by former Secretary of State, Lawrence Eagleburger, based upon his experience both as Secretary and previously as ambassador. Mr. Eagleburger points out that, to our ambassadors around the world, USIA's programs really provide the only kit they have for relating to publics in their land and are extremely valued.

I have here my last request for submission, letters from a number of our ambassadors around the world at their posts detailing these activities.

I have often thought, in terms of the enthusiasm that members of the foreign service have for these programs after they become ambassadors, that I would like to see the foreign service reorganized so that every officer started as an ambassador and then worked on from there.

Rather than comment directly on my statement, I would like to just say a word about an experience that I had over the weekend and why I went to Kansas City and Abilene on Saturday and Sunday for the celebration of the fortieth anniversary of the People to Peoples Campaign. I went for that reason because President Eisenhower is the father of this program. Though we talk about reinventing government, he did a very remarkable thing when he took the old Office of War Information, committed to the heightened propaganda which was felt necessary during the war effort, and really converted it in a very dramatic way into an organization whose mission, as we understand it today, is to understand, inform and persuade foreign publics.

About 2 years after the creation of USIA in 1953, President Eisenhower called to the White House a number of prominent Americans from labor unions, from corporations, from the theater, and asked them to enter into an effort of public diplomacy and citizen

diplomacy and these are some of the words he used when that group gathered in the White House.

Now, with Eisenhower, it seems to me we are talking about the American President in the twentieth century who spent more time overseas looking after America's interests, not only in war but in the management of occupation and, following that, in reconstruction. He set both these programs in motion. In fact, this meeting in the White House, from which I am going to read some of his statements, was a meeting in which he turned to USIA and asked the organization to take the leadership in establishing and launching this new group.

"Today," he said, "we have a particular problem of creating understanding between peoples. Governments cannot do much about this. They can publish certain official documents, but I am talking about the exchange of professors and students and executives, the providing of technical assistance and of the ordinary traveler abroad. I am also talking about doctors helping in the conquering of disease, of our free labor unions showing other peoples how they work, what they earn, how they achieve their pay and the real take-home pay they get. In short, what we must do is to widen every possible chink in the Iron Curtain and bring the family of Russia, or any other country behind the Iron Curtain that is laboring to better their lot as humans do across the world, closer to our circle. To be able to sit down with them and say, 'How do we improve life for both of us?' This way, I believe, is the truest and surest path to peace and security. All the other things we do are palliatives that they are holding the line while constructing forces of this take effect. Every bomb we manufacture, every plane and ship and gun in the long run has no purpose other than negative—to give us time to prevent the other fellow from starting a war. Since we know that we won't, the billions we pour into that activity must be supported by a great American effort, a positive, constructive effort, that leads directly toward what we all want, a true and lasting peace."

He left that meeting that day and went to a large meeting of public officials and diplomats and I can imagine the response when he said the following:

"Governments can speak to governments and the result, or lack of results, are dramatized in the headlines of our newspapers, on radio and TV. But more often than not, drama is the only product. Policies don't change; relations don't improve noticeably, even in the most spectacular diplomatic circumstances. But if the people represented by these governments are mutually convinced of the desire to know and understand, of the honesty or intention and purpose, then governments will begin to hear plainly the voices of the millions, even the most arrogant will have to listen."

I think what Eisenhower observed throughout his experience was that there was an extremely powerful effort to be made and a quite effective effort in the exchange of ideas and experiences and he asked the American people, literally, across the land to take seriously this engagement.

In fact, we have come to understand the Eisenhower presidency quite differently than we once did. When I was at college, Eisenhower was President. I went over to Harvard to hear a professor

tell me that Eisenhower was a bland, inactive, passive President who played golf every afternoon.

A couple of years later—some 20 years later—as chairman of the National Endowment for the Humanities, I sensed that if the Eisenhower papers were available other than at Columbia and Johns Hopkins, if they could be read by students and teachers together in Corvallis, or Austin, or Phoenix, or Santa Barbara, we might have a different perspective. And, indeed, that has happened. There has been absolutely dramatic change in the way we understand what kind of President this man was.

I may say in passing, which I hope my friend, Sheldon Hackney, will appreciate, that that is precisely the kind of thing that is a national service that the National Endowment for the Humanities should do. It has changed our understanding of how this man saw the world from an intense period of really unique experience.

Now, Eisenhower also was a thrifty, frugal Kansan and he made no apology for it. He was the last President we had who refused to fund the military buildup on deficit spending. America would be in a very different position if Presidents and Congresses after Eisenhower had taken the position he did. But he was very strict about that.

I want to say a word about the Fulbright Program and over here I have just chosen a few people whose first experience with the United States was not a tourist experience but a sustained period of time living here. The first people who were brought here chosen by our officers in the posts whose job it is to identify future leaders and bring them here as international visitors; Mr. Sadat, Margaret Thatcher and Mr. de Klerk.

If we can just take the next one.

The next group of people were here as Fulbrights: Solano, the Secretary General of NATO currently; Cardoso, the President of Brazil; the Prime Minister of Poland—I will save him the embarrassment of trying to pronounce his name; Mr. Hashimoto, the current president of Fuji Bank; Umberto Eco, the Italian writer; Gertrude Mongella, Secretary General of the Beijing World Conference on Women.

There is one more chart there which is rather stunning, I think. This is from the Jerusalem Post. These are the members of the new Cabinet, the new government, the Fourteenth Knesset in Israel. Those who are marked by red, I guess, are visitors who were chosen some time ago, generally in their youth when they had the time to have this in-depth experience due to the prescience of the officers, and the others were actually Fulbright scholars.

Mr. LOIELLO. Excuse me. Dr. Duffey.

Dr. DUFFEY. Yes.

Mr. LOIELLO. Let me correct the record on that, if I may.

The red and the blue are members of the new Knesset who have been in the International Visitors Program and the red members are members of the Parliament of the Knesset. The blue are members of the Knesset who are now going to be members of the Cabinet.

Dr. DUFFEY. OK. So this is not a Fulbright list, but this is a list of those identified for the programs we are talking about.

America's great battle today is not so much fighting the disinformation of the Soviet Union, it is fighting an unwitting disinformation that seems to come from the kind of images we send abroad about America, both in the news, which picks up the more sensational problems of our society, and what we produce primarily in the media. Even though the world has dramatically changed and is, perhaps, even more connected and there is more travel, an accuracy of perception, particularly by people with whom we are going to deal and who we are trying to persuade, is extremely important and I see no other way to genuinely achieve that without these programs. I think they will, in fact, determine how effective, in a democratic age, our diplomacy will be because more and more of the governments of the rest of the world are going to be subject to the will and temperament and consciousness of their own people.

We have had the Fulbright Program for 50 years. The International Visitors Program and other activities we started 40 years ago. Total expenditures for the Fulbright Program in 50 years are less than that of one B-2 bomber. The International Visitors Program is somewhat on the same scale. So Eisenhower was, I think, both observant and quite shrewd in sensing the power and importance of these kinds of programs.

I will be glad to respond to your questions. Mr. Loiello is going to talk a bit about our current assessments which, believe me, are really quite serious about cost and administration and say a bit more about the programs.

Jack.

[The prepared statement of Dr. Duffey appears in the appendix.]

Mr. LOIELLO. Thank you, Dr. Duffey, Mr. Chairman, members of the committee.

STATEMENT OF JOHN P. LOIELLO, ASSOCIATE DIRECTOR, BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, U.S. INFORMATION AGENCY

Mr. LOIELLO. Dr. Duffey, in his prepared statement, I think, lays out very cogently and persuasively, particularly in the first two pages, the rationale and relevance of government's role in exchanges, taking up some of the points, indeed, that Chairman Smith has mentioned in his opening remarks.

There is a changed environment as a result of the end of the cold war both abroad and here. The Chairman has already mentioned some of the pressing issues from abroad and the Director raises those as well. But here at home, there is a constellation of forces at work. And, they quite frankly, give the lie to the presumption that one finds frequently in the media that the American people are less engaged in foreign affairs when, indeed, there is a plethora of examples where they are more engaged—whether it is in ethnic activities which affect foreign policy issues, economic issues, global issues, et cetera. And so public diplomacy, ironically, as indeed the Chairman has pointed out, as we are reducing our funding, is really coming into its own and there is at work here an important dynamic and an important opportunity.

Now, Secretary Christopher in the past has made reference to the need for an America's desk at the State Department. I would say that, quite frankly, in mobilizing this new dynamic which is at

play in the United States and abroad, we already have that and that, of course, is the U.S. Information Agency and through our exchanges.

Why is that? Because, as Dr. Duffey has just mentioned, we have built up an impressive array of networks. We conduct our programs with more than a thousand private sector organizations. Some of those are even represented in this room today, as I noticed when I came in, such as the National Council for International Visitors, which works on our international visitors program which the Director has just made reference to.

Each year almost a million Americans come in contact with, influence or are affected by our International Visitors Program and we do this, like I said, through a network such as the NCIV's, through, of course, the Fulbright Commissions abroad, and, of course, our very capable USIA posts overseas. And this is in fulfillment, quite frankly, of the Fulbright-Hays Act which looks toward a dual mandate. The agency, when it comes to exchanges and training, is Janus-faced. It looks abroad and engages the American people.

And, as Dr. Duffey points out in his testimony, the new paradigm, the new model, quite frankly—newer emphasis—is on the catalytic and focusing and facilitator role rather than necessarily just the provider and the funder. And as a catalyst and as a focuser, we look at two particular ways. First of all, themes and programs that catalyze issues in the national interest and, second, resources—both personnel and financial.

Let me say a word about themes. In 1993 and 1994, the agency held two very important conferences—the first one in St. Louis and the next one in Atlanta. The one in St. Louis centered on the issue of focusing public and private resources on the newly independent states of the Soviet Union. Then majority leader Gephardt and then minority leader Gingrich participated actively in that program.

As a result of that, a number of projects involving the private sector came into effect. But probably the most notable one is Business For Russia. Business For Russia has engaged networks that we already had in existence—our Councils for International Visitors, more than 13 of those, and 18 NGO's abroad. Under this program, more than 1400 participants have come—small businesses, medium-sized businesses—and been served with 5- and 6-week internships in more than 30 cities of the United States. More than 2,000 business hosts across the country have opened up their companies to these interns and more than 2,000 citizens, demonstrating the strength of American voluntarism participated in home stays.

The chart that is on the easel right now speaks to that. It shows on the left Edward Veygandt, who is the general director of the construction company, Stroytex, and a Business For Russia participant, standing before one of his current projects, the First Catholic Church in the city of Chelyabinsk. Stroytex is building the church at the request of the German religious community of that city and through financing by the local community.

Now, founded in 1992, that company has approximately 270 employees and specializes in the construction of apartment buildings,

schools, hospitals and Mr. Veygandt interned at the construction firm of Parsons McKenna Incorporated in Syracuse, New York and was hosted by the International Visitors Center of Syracuse during that internship program.

Similarly, with regard to the Atlanta conference, which centered on South Africa, more than three dozen discrete projects emerged from that important conference involving the private sector. To give you one example, it gave encouragement toward an affinity group of foundations to do work in South Africa in post-apartheid South Africa. But, as I said, a catalyst and focuser of themes but also of resources.

If I could see the next chart, please.

It shows U.S. Information Agency exchanges from the context of a private and public partnership and it shows the figures for 1995. The blue, which is the U.S. Information Agency's appropriation, accounts for 46.5 percent. The green—and, again, this is for 1995—indicates other agency transfers, for a total of 16.8 percent. The red is the foreign governments' contribution, principally to the Fulbright Program. And the large yellow section is private sector with regard to all of our programs.

Now, in 1995, as you can see, the split is basically 63 percent governmental, 37 percent from foreign governments and the private sector. This is important, first of all, because of how we are leveraging. But it is important to point out in 2 years, we have changed that equation from 75/25 to 63/37 and our preliminary reckoning for this year will show that it will be 60/40 percent. And the most important thing is the expansion of the pie, not only in percentage terms but in real dollar terms from the private sector.

Mr. SMITH. If you could yield briefly, how much has the private sector gone up?

Mr. LOIELLO. This year, just the yellow is 30 percent.

Mr. SMITH. No, in dollars.

Mr. LOIELLO. Oh, yes. It was \$174.2 million. In 1994, it was \$146.4 million.

Mr. SMITH. But, in 1996, we do not have a sense of—

Mr. LOIELLO. Not yet, sir.

Mr. SMITH. It is too soon to say.

Mr. LOIELLO. Except that we are pretty sure that the division is going to be 60/40.

Mr. SMITH. OK.

Mr. LOIELLO. Thank you.

The important thing, if I may say just a brief comment about the private sector partnership and what is so new about it—and the director takes up this issue in his opening statement—is that there is a new partnership in play here. Whereas previously, whether it was in our Fulbright Commissions or any of our other programs, we put together programs and then went out where we wanted or needed private sector funding, now the private sector is engaged more directly in the design of such activities. And so we are not putting, necessarily, finished products before them. And, quite frankly, this goes to the central fact that the private sector—at least in this particular area of activity—trains and educates people and so do we in government and, indeed, in academia, and we look for the commonalities of interest. And, as the Director said, society

is well-served when government—the NGO's and corporations—synergistically serve the interests of each other.

In conclusion, Mr. Chairman, taking up the main issue at hand, the U.S. Information Agency, through its exchanges, engages in policy-driven activities both of a short- and long-term purpose. We are equipped, in my view, to deal with the challenges which you and the Director have mentioned externally and, more importantly, to take advantage of the opportunities by the greater engagement and involvement of our fellow citizens in international affairs. As the Director says in his remarks, the true connections between peoples is people-to-people, not necessarily government-to-government. And, in my view, for government to ignore this important responsibility is not in the national interest and it would be unfortunate for us to cut back further because at the very point where we are, leveraging this additional money, we cannot continue to leverage if the private sector believes that they are simply being asked to replace the government.

Thank you.

Mr. SMITH. Dr. Loiello, thank you very much for your statement. And, Dr. Duffey, your full statement and your numerous submissions will be made a part of the record.

I would also like to make a part of the record a letter we received from Sir Geoffrey Henry, the Prime Minister of the Cook Islands. The Prime Minister has written in support of the South Pacific program and he does present some firsthand evidence of the contributions made by one research chemist who went through the program. And, without objection, these submissions will be made a part of the record.

I would like to recognize the distinguished chairman of the full committee, Mr. Gilman.

[Materials submitted for the record appear in the appendix.]

Mr. GILMAN. Thank you, Mr. Chairman, and I want to welcome our panelists and particularly our director, Joe Duffey. I commend you for holding the hearing on International Exchanges at this time. Next year, we will be drafting the FYs 1998 and 1999 authorization bill and this hearing record should assist us in developing the policy direction for exchange programs.

Exchange programs, of course, have been constructive in building sound international relationships and are an effective tool of public diplomacy. These programs, though, should be viewed as a long-term strategy that cultivates an appreciation of American values in present and future leaders of other nations. Such interchange also enriches the information on which foreign policy will be based.

USIA has a mandate to coordinate all of the international exchange activities of our government. Yet, in reality, this appears to be limited to the compilation of annual reports. This is probably inevitable in view of the lack of a formal coordinated administrative structure and the separate authorities and appropriation streams for the other programs. However, I am concerned that the government-wide cooperation issues, because of the proliferation of our exchange programs through other agencies and departments, the growth outside the foreign affairs structure, raises the question of how a coherent exchange policy can be developed and effectively coordinated.

About 18 months ago, USIA initiated, through the Vice President's National Performance Review Office, a government-wide review of exchange programs. The purpose of that review was to expose the universe of government expenditures on international exchanges to identify and eliminate duplication and establish a more informed policy for this kind of government activity. This study would have built upon an earlier 1993 GAO report requested by this committee that identified some 16 agencies who were running about 75 different exchange programs and spending about \$660 million a year.

At the same time, USIA, the lead agency for exchanges, accounted for less than 30 percent of that total. While I strongly encourage the NPR process to move forward, it seems to have ground to a halt over a year ago and has been left to languish. It is an unfortunate consequence of the weakness of the National Performance Review process and with the increasing squeeze on the International Affairs budget function, true coordination among the agencies and the Office of Management and Budgeting process, I think, should be designed. It was our hope that the National Performance Review Office would facilitate this advancement. It should be reflected in the FY 1997 President's Budget Request.

Instead, in the absence of the Administration's recommendations, I believe it is an uphill fight for sufficient funding for this activity since it has to compete with so many domestic programs. Addressing the agencies that this committee is responsible for, I hope that the promises and intentions expressed by AID and USIA to coordinate their exchange activities will, in fact, take place. It is important to note that we must take a serious look at the adjusting programs and resources to maximize the expertise within each agency.

Last, Mr. Chairman, I understand that AID was invited to testify today but refused. Is that correct?

Mr. SMITH. That is correct, Mr. Chairman.

Mr. GILMAN. That is unfortunate.

Mr. SMITH. We also just note for the record that we had asked that the Vice President's National Performance Review send somebody up to give us an update as to what they are doing and they, too, declined.

Mr. GILMAN. Mr. Chairman, that is unfortunate since AID has supposedly been working with USIA on the issues of duplication and in approving program coordination. It would have been informative for AID to update our committee on the progress of these issues.

So I am pleased that you have arranged this hearing today and, if I might ask a question of Dr. Duffey—

Mr. SMITH. Please do.

Mr. GILMAN. Dr. Duffey, as you know, we are concerned about the duplication, as I indicated, between AID and USIA. There is also the issue of which agency is best suited to carry out these programs which, as you know, I do not think that decision should be driven by who holds the money but by which agency has the expertise in a given area.

In March, you and Mr. Atwood jointly signed a letter describing areas of expertise and future steps for coordination. In that letter it states, and I quote, "The agencies will work together to ensure

programs are well managed and fully coordinated and that the agencies will study more closely the common elements in the program and that the agencies will continue to work to clarify their differing exchanges and training objectives and approaches and the agencies are looking into the creation of joint staff teams to improve coordination and that both agencies will collaborate on methods to leverage more private sector support." AID noted they were considering withdrawing from long-term general undergraduate academic training.

Can you tell us, Dr. Duffey, what progress has been made on those objectives and goals?

Dr. DUFFEY. I think we have made some progress, Mr. Chairman. I am going to ask Mr. Loiello in a moment to talk about the kind of sessions that have been held. I just want to say a word first about this amazing proliferation of exchange activities in recent years and USIA did take the initiative in doing a more comprehensive report and seeking as much information as we could get about this.

Leaving apart the problem it now poses us which we must work our way through—as I say, Mr. Loiello can talk about how we are working with AID—I think that the fact that they proliferated so much is a testimony to how effective an activity this is. How limited government-to-government, diplomat-to-diplomat statements and papers and agreements are.

Of all the various techniques that have been used—contracting with large contractors to do certain tasks—it has seemed to me to have emerged as sort of conventional wisdom out of recent experience that this is the most effective way and Mr. Loiello can say a word about the meetings that have taken place. Mr. Atwood and I began the process and it has continued. If you could tell us where it is now, Jack.

Mr. LOIELLO. Well, yes, Mr. Chairman. We very much appreciate your involvement in this very important issue of duplication.

You mentioned, first of all, the report. We have found much more responsiveness on behalf of the other agencies engaged in this activity. In fact, 38 reported last year and there will be 40 this year.

But the important issue with regard to USAID is one that we have taken very, very seriously following Administrator Atwood and Director Duffey's lead. I now co-chair as associate director with Ambassador Sally Shelton Colby, the assistant administrator of USAID for Global Programs, a task force and the first meeting of that took place last week and, as a part of its agenda, looked at four specific areas of cooperation. One was using our networks of the Fulbright Commissions more effectively, first of all, in those countries in which both there is a USAID presence as well as in those countries in which, to use the USAID term, they will soon be graduating and that there will not be a regular presence of USAID officers.

We have some good examples of such cooperation, Mr. Chairman, in Cyprus and in Egypt but we need to extend that further and we found, from our point of view—from the point of view, I think, of the American taxpayer—a great receptivity on this issue.

A second area was English language teaching. This is not a major issue, a major expenditure, of funding by our agency. We are

primarily involved through our English language officers abroad and advice to the field and advice to experts and advice to ministries of education. But already we have existing an interagency committee on this with the Department of Defense, which is very much engaged in this activity, as well as the Peace Corps. And now AID will also be engaged in that as well.

So this is a beginning, Mr. Chairman. We look to further cooperation. The exchanges coordination also. We have asked that AID give us a better view since they feel that they have not been able to give how they leverage funding as well and so they are going to be looking at new ways to provide us with other information.

Let me say, though, Mr. Chairman, that this relationship with AID, of course, is critical because, between the two of us, we account for approximately half—a little more than half—of the exchanges activity. But I also co-chair an interagency group with David Longnecker who is the Assistant Secretary for Post-Secondary Education at the Department of Education. We have also expended these kinds of activities with Lauri Fitz-Pegado at the Commerce Department, so there is complementarity with the Foreign Commercial Service; with Judith Huemann, who is an Assistant Secretary of Education and other agencies.

There is a lot more that we have to do, Mr. Chairman. There is no question about this. From the point of view of duplication, the Director has pointed out how this evolved. It also evolved, though—going back to what Chairman Smith said at the very beginning—as a result of the cold war. There were many people who were committed to the idea of exchanges and who did not sit on this august committee or did not sit on the appropriating committee and so programs proliferated and exist now in probably about four dozen different agencies.

Mr. GILMAN. Thank you very much.

Just one follow-up. What has happened to the National Policy Review of all of this?

Mr. LOIELLO. Well, I know they are about to do their annual report, Mr. Gilman. They asked for additional information from us.

The task force that was created more than 2 years ago has not been particularly active recently, leaving it up to the individual agencies to coordinate themselves.

Mr. GILMAN. In other words, nothing is happening with—

Mr. LOIELLO. I would not say nothing is happening. As I said, giving you our report on what we are trying to do with USAID, we are trying to deal with the issues of duplication first among the two larger agencies.

Yes, we would like more cooperation on this activity. Yes, we would like to be looking more effectively at reducing duplication. But I think we have taken a giant step in the process that I have just laid out.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. SMITH. The Chair recognizes Mr. Faleomavaega and he will take the chair while Mr. Gilman and I vote. I will be right back.

Mr. FALEOMAVAEGA [PRESIDING]. This is one of the privileges extended to the five delegates from the Commonwealths of Puerto Rico and District of Columbia and others.

Dr. Duffey, there are some questions I wanted to share with you for the record.

As you know, with all those advocating for cutbacks in foreign affairs because of the deficit, can you state for the record exactly what USIA does for America as far as the world is concerned?

Dr. DUFFEY. Let me, first of all, refer—

Mr. FALEOMAVEGA. If an American was to come to me making \$15,000 a year and say, "How come my money is going overseas to educate these foreigners? Why can't it help me with my needs here and my family?" How do you answer him?

Dr. DUFFEY. Well, first of all, in many ways, I think it does help the lives of all Americans. We have a very significant interest in stability around the world.

Dwight Eisenhower talked a lot about peace. We do not really talk about peace today as much as we should. I guess we have come to understand that the threat we confront now in the post-cold war world is not so much the imminent threat of war with an opposing power. That could happen. But it is unlikely at the present time. But any major conflict in any part of the world draws the United States in now and draws in its resources. It often draws the country in in reconstruction because we have an interest around the world in some kind of order and civility. I believe this is directly related to our security. I think it also is very much related to the alternative, which would be the possibility of major expenditures—arming ourselves, arming others, doing the kind of things that are very expensive.

We have an enormous interest in how this country is perceived and understood. I think sometimes we are a bit complacent about that. We are aggressively moving to try to create a world in which there is an understanding and appreciation of the way our institutions work. But they are not always going to be perceived by other countries.

But to give you an example, the tax system in the United States, which encourages individuals to contribute and disburses power and programs widely to build strong private institutions, is something that very few countries in the world have adopted—even rather sophisticated countries in Europe. France and Germany have not yet adopted this. We think that any society that takes this approach is healthy.

The fact is that we have in this country a balance of powers, a very difficult concept but I think one that best serves the whole public. The Chairman mentioned earlier military exchanges. Part of what I believe we have been trying to do in that area is to provide a model for civilian control of the military—something that is viewed by military establishments in other countries as a great threat. I believe in China, for example, the way the society is going, that in the next recessionary period, the Chinese people are going to ask questions about the size and cost of the military.

If there is not some understanding on the behalf of the military that, in fact, it is not the end of the world to have a professional military—it is a very powerful witness to come to this country and see that civilians are in charge of overall policy for the military. That is a concept in which we have a great interest because it will affect the size of armies and social policies.

So I think I would say, understanding that question about many Federal expenditures, a little more confident at this point with USIA, which I think has led in trimming and asking new questions. We have reduced at least 20 percent, and sometimes 25 percent, every personnel unit in the agency. I think we are, perhaps, one of the few agencies that started to do this early, before the election of 1994. So I would hope that would give us the credibility to suggest that these are extremely significant expenditures to the security of the American people, as well as promoting trade and opportunity beyond that.

Mr. FALCOMA. Well, you pose a philosophical question about the fact that the founding fathers purposely allowed the President to be the commander-in-chief. But, as a Vietnam veteran, I do not know if that was a good idea of having politicians heading the military apparatus. I will be damned if I want to hear another Secretary of Defense making a public apology to the American people and to the world that we were wrong in our policies in Vietnam. As a Vietnam veteran, I find that very insulting to the families of the 58,000 names that are etched at the Vietnam Memorial. It was because of fouled up policies by the politicians, not the military leaders, that cause such tremendous problems. While I share with you there are some pluses with civilians taking control of the military, but if Vietnam was an example of how civilians do it, I sometimes wonder if we are on the right track. We do understand why civilians should always be in charge of the military, but I thank God that President Nixon did not exercise the full extent of his powers as commander-in-chief, which could have resulted in chaos.

Dr. DUFFEY. Well, the exercise of power——

Mr. FALCOMA. Is power corrupts.

Dr. DUFFEY [continuing]. always need to be restrained.

In those letters from the ambassadors that I asked to include in the record, there is one from a non-ambassador, a former colleague of mine named Robert Potash who is recognized not only here but around the world and in Argentina as the definitive historian of the military in Argentina. He went there first as a Fulbright scholar. He has earned such credibility among the military as well for his study of the history of the twentieth century.

He and I worked together when the government finally changed in Argentina and Mr. Alfonsín began to try to build a democratic government. And in a number of trips in that period, now 15 years ago, I can remember seeing the agony of trying to find out how to do it right. I do not think, even yet, we have discovered a perfect way. Sometimes the civilian control creates problems by making judgments that are not soundly based and that is one reason why I think the current participation of the military in the evaluation of policy occasionally, the freedom to speak out, has been extremely useful. But it is clear that a large military establishment such as the one that is in China becomes a power, in a sense, without accountability and, like a lot of things our founding fathers did, we scratch our heads and continue to live with them.

To go back again to Eisenhower—I seem to be full of Eisenhower today, but—it is remarkable to me that someone with the depth of experience he had valued this relationship so clearly and under-

stood it and was probably confident enough and able to express some skepticism about a lot of things in American life. He got away with it with his kind of Kansas humility and started some good debates that go on.

Mr. FALCOMA. I just want to note that we are joined this afternoon by another very valued member of our subcommittee, Congressman Salmon from the State of Arizona, the only Member of Congress that I know of that speaks Mandarin. I think this will be very helpful in resolving current problems affecting Hong Kong, Taiwan, and China. When we do go to Beijing, we will not be hoodwinked by some of the people not speaking English. But I would be more than happy to give the time to Congressman Salmon, if he has any—

Mr. SALMON. Actually, sir, I just wanted to compliment you on your choice of neckwear.

Mr. FALCOMA. Well, it is interesting. As a matter of history, I will note this. It was then Congressman Ben Nighthorse Campbell from Colorado—of course, he is in the Senate now—and I think that the Speaker exempted him from wearing regular ties. We are the only members that can wear native ties. And the reason why I like this is that I do not have to choke myself every time with a regular tie.

Dr. DUFFEY. Well, it looks a lot more comfortable than I feel right now.

Mr. FALCOMA. Sir, very comfortable, I can assure you.

Dr. Duffey, I have a couple more questions and I do not mean to do this to kill time.

Could you give an assessment exactly on the downsizing effort on the part of the Vice President? You know, we have had these problems of duplications of exchange programs. USIA is one of 38 Federal agencies that conducts exchange programs.

Has the Administration focused on it to the extent that USIA has a distinct mission in hand with a cut down in duplication? Where are we now with the downsizing efforts with the Vice President?

Dr. DUFFEY. The Federal Government has gone through the same trends and tendencies that much of American industry went through in days when one did not have to ask about expenditures, to a large extent, from the foreign affairs community. The American people had such a dread of nuclear war that it would seem to suggest that we were doing this on the deficit and to continue whatever we thought we ought to do. It was not really questioned. It seems to me that has to change. It is not a partisan question.

The USIA budget is going further this year because we stopped the slide of the dollar and it has gotten a little stronger. Quite frankly, that was because we have shown, in this country, some will to come to grip with these expenditures.

I sense that this is inevitable and is a responsibility and so we did begin early, and Vice President Gore began a number of efforts that have been themes we have adopted, too—cross-training of people, working together in teams, using the new technology for more efficient operations.

Quite frankly, my sense is that the last year, with its uncertainty in budgets, this is obviously threatening to men and women, both in terms of their careers—even with the sort of guarantees that ac-

company Federal employment. But the last year has been so chaotic. We had—what did we have, finally? Thirteen continuing resolutions. And I believe that that has really just brought the larger effort—it stymied it.

I noticed today that Vice President Gore has distributed to all public employees a report and a comment and I think he plans to keep that effort going. For USIA, fortunately, I think, because we saw this coming and started, these are just some of the highlights:

By consolidating our non-military international broadcasting, we saved about \$400 million and eliminated 1200 positions, and much of that was money being spent overseas. So, in a sense, it was a kind of double cost.

We dismantled an entire bureau and created, from the ground up, a new bureau called the Bureau of Information where men and women work together in teams around common problems rather than defending their own particular turf or program.

And, next year, Mr. Loiello will go further with the Educational and Cultural Affairs Bureau with a consolidation that will reduce seven offices into four and reduce the staff by about 16 percent.

We have received several awards for our technological innovations. We have produced a paperless cable for which millions of trees are grateful. It reduces expenditure and clutter at both ends, both coming in and going out our doors.

We have a great interest, we think, in educational advising around the world. The United States continues to lead the world in the number of students who want to come here and this brings very significant dollars as well as talent to our country. But we should not assume by any means—and, by the way, that has been a means of great influence, as you suggested earlier—we should not assume that that is going to necessarily continue. Our higher education systems in many parts of the country have expanded very rapidly and are facing liquidity problems.

Other countries, seeing the importance of this, are now bidding to play this role. So we have probably had close to half a million dollars direct expense. A lot of volunteers were used in this effort around the world.

Our staff has created an interactive CD-ROM a student can have eventually in a number of languages where one can ask questions through the CD of typical students from other parts of the world studying the United States. How do you choose a school? What is the routine like on the campus? What about security? And have the students speak back and answer. That cost us \$100,000 and we will continue to develop it. But I think, over time, that is going to prove to be an enormously significant savings. It also demonstrates something about a new technology in which the United States is currently leading the world. So it has a double-whammy, we believe.

These are the kinds of things that we have been working on. Our personnel has been cut since 1994 by almost 25 percent and it was extremely difficult this past year—the uncertainty, I think, for all of us—and my guess is that that is the main reason why the re-invention effort has been a bit stymied.

Mr. FALCOMA. Mr. Chairman, I have one more question, if I may.

Chairman SMITH [Presiding]. Please proceed.

Mr. FALEOMAVAEGA. As you know, Dr. Duffey, we currently have an excellent domestic program allotted for our high school students from all over the country to participate in what is known as the Close Up Foundation, which I think has worked very well for the students traveling to Washington. I understand that the agency is currently planning a program to have high school students from Russia to come to the United States on an exchange program.

Do you think our dollars are well spent by having students of that level coming here as opposed to college or university level students participating? The latter could probably make a more significant contribution in this critical period for Russia than high school students. I do not think we can compare the Close Up Foundation activities with bringing Russian high school students here.

I am curious why the agency decided to bring high school students over here?

Dr. DUFFEY. Well, I am a great admirer of the Close Up program, perhaps because I remember what a tremendous difference it made in my life to have opportunities, even here in the United States, to see other parts of the world, other parts of the nation, and those programs are very effective.

I think we need some balance. The college programs are significantly more expensive because the college student is not as often staying in a home. There is a particular benefit, I think, of the young person being in a community and in a home and our young people who go back the other way having the same opportunity. And I think we have to confront the fact that high school juniors and seniors, the best of them that we try to choose, are studying and at the stage in their career in Russia, frankly, where our students are as sophomores or juniors in college. One of the problems has been to challenge those students. They generally come here and are significantly ahead in science and other areas.

It is a longer-term investment, but we can get so much more exposure, we can get so much more community involvement, that I think we are discovering again it should be a part of our program. And I think we need to strike some kind of balance, not only with college students but with the graduate students of the field of Russian studies which was so marked in this country by the cold war as a field in which those older scholars, many of them, do not appear to be capable of the new learning. One of the functions of these programs is the provision in this country for business as well as general understanding of a core of people who know and teach international studies.

Every time I go across the country to a university in the heartland, I am stunned by how many of our universities have become international and I think this country has benefited enormously from it. I think that is one reason why we responded in the last decade to the competitive program and are, in fact, doing quite well in international trade because the resources are there.

When I was at the University of Massachusetts, I worked very hard to build a program on Islamic studies. I went to the University of Arkansas in Fayetteville the other day and discovered that most of the people I had hired 10 years ago were now at Arkansas because they are now building in Fayetteville, Arkansas a major

program of Middle East studies. That is part of our strength. You have to keep working at that to see that it continues.

Mr. FALCOMA. I wish the same could be said about our Asia-Pacific studies because I think this is where we faltered again, on policy because we just did not understand the nuances of this very important region of the world. I sincerely hope that the USIA will look at counterbalancing our emphasis on the Middle East and Eastern Europe, that we also look at other regions of the world that are important. In terms of economic interests, there is no region more important than the Asia-Pacific. The United States has a \$300-billion trade relationship with the Asia-Pacific region which by the year 2000 will exceed \$400 billion. Our universities and colleges and American people must pursue a greater understanding of the diverse cultures of those countries that make up two-thirds of the world's population. Sometimes we tend to forget this and I sincerely hope that USIA will play a leading role in orienting the American people to better understand this region.

Thank you, Mr. Chairman.

Dr. DUFFEY As I think about my own experience, I grew up in a European nation, a nation that looked to Europe for its models in education. But that is not the country I live in today. This is a country that is looking more globally, but I think looking very much to the Pacific Rim in the next century. And I could not agree with you more.

From the war with Japan in the very early days, history will demonstrate, I think, when we get more of the records released, how much our perception was clouded by a lack of understanding of all of Asia—and perhaps also by just classifying all of Asia and the Pacific as though it were one kind of culture and not understanding the diversities and the distinctions of different—

Mr. FALCOMA. I am sorry. Will the Chair yield?

Just as another anecdote, Dr. Duffey, sometimes I get into arguments with members of my colleagues on the committee and they will say, "Why do you suppose fellows like Ho Chi Minh and Mao Zedung became Communists or Marxists? It was because the worst examples of democracies were the colonial powers that were there—the French in Indochina, the British in China and India. Where could Asian countries turn to for a better form of government when the worst examples of democracy were these colonial powers from Europe?"

So I think if we have a better understanding and perspective of history, we can appreciate why some of these leaders from the Asia-Pacific region became Marxists. I just wanted to share that with you, Dr. Duffey.

Thank you very much and thank you, Mr. Chairman.

Mr. SMITH. Thank you.

Dr. Duffey, in looking through those cards you were flashing before us before, did I see Lech Walesa's opponent in the most recent election up there? Or was that—

Mr. LOIELLO. No, that was the Prime Minister.

Mr. SMITH. That was the Prime Minister?

Dr. DUFFEY. That was the Presidency. This is the Prime Minister.

Mr. SMITH. OK.

Dr. DUFFEY. But I may say—

Mr. SMITH. He made a very effective campaign, as you know, against Lech Walesa.

Dr. DUFFEY. Yes.

Mr. SMITH. I just hope he did not learn it from USIA.

I have a couple of questions and then I will yield to my good friend, Mr. Salmon.

Dr. Duffey, in distributing the cut in exchange program budgets between 1995 and FY 1996, the Fulbright Program was cut by about 14 percent; the Citizen Exchange Program essentially is staying the same as last year. But other programs, such as the Tibetan and South Pacific Programs, appear to have taken a much more drastic cut—between 60 and 80 percent. Indeed, several of these smaller programs have been reduced to \$100,000 each and it raises questions whether or not that is a program that is large enough to do anything of any significance.

Why not take some of the money from some of the larger programs and ensure that, in these smaller and very effective programs, at least the bare bones are covered?

Dr. DUFFEY. In beginning to make this transition, as you recall, we had a lot of uncertainty about where the budget was finally going to be. Fulbright Programs fared better because they are the programs in which we have commitments to other governments. That being said, we are now in, I think, a rather embarrassing situation where a number of other countries have come into this program in good faith and are now contributing more than we are.

I am determined that in every part of the world where there can be some participation, we treat the other countries with the dignity to ask them to participate one way or another. In South Africa, it is my hope that the colleges will give tuition waivers to our students who want to go there, and there are a significant number of them, and perhaps provide home stays. Other countries are making very direct contributions. So we tried to assess, even though we were reducing those programs.

I quite agree with you that I do not know what the critical mass is in some places, but in making this first round of adjustments, we ought to have already had these commitments on a matching basis. That is why it is very important to us to get a sense—these are things that have a lead time—of what we will have to work with and I hope, as you pointed out, the Administration has asked for a restoration not to the figure when we had a large chunk of AID seed money but to a rather modest figure for the whole of international exchange of \$202 million and I hope very much that we can have support for that. And, as we then plan, we are lowering the expectations of some other countries that have made contributions and trying to be selective about that. We will soon be in a situation where—and it is quite sensitive—a number of countries who participate in the program will be contributing more than we do.

Mr. SMITH. I think, as you know, on this subcommittee in particular, there are mostly advocates and it is a matter of fighting the budget committee, to some extent, and appropriators. But we need to have the best possible answers and, hopefully, the best program to show.

As I know you know, H.R. 1561 tried to, as much as possible in a very difficult setting, hold harmless as many of the programs as we possibly could, even though it was very difficult to do.

Dr. DUFFEY. Well, perhaps we could give you some sort of, at least, first notional cut of what the distribution could be at the figure the Administration is requesting.

Mr. SMITH. Please do.

Mr. Loiello.

Mr. LOIELLO. We should be able to do that, I think, within the week.

Mr. SMITH. OK. We will make that a part of the record and that would be very helpful.

[The response follows:]

The FY 1996 distribution of exchange resources, as reflected in the Agency's July 15 reprogramming letter, was developed after recent consultation with the relevant congressional committees. Because these discussions were so recent, we would anticipate approximately the same distribution of resources for these purposes in FY 1997. The Administration's FY 1997 request would accommodate such an allocation of resources.

In looking at the Tibetan Scholarship Program, which many within USIA and others we have spoken to have suggested was a very well-run exchange program, I note with some sadness that it dropped from \$1 million in 1994 to \$500,000 and now the proposal is for \$100,000.

We would like to know what the 1997 numbers are going to look like for that; and wouldn't it be more consistent with the fundamental purposes of the exchange programs to take a smaller percentage cut, again out of this kind of program which is very well-targeted? It is focused on freedom and democracy.

I mean, Mr. Lantos and I and many others on this subcommittee and in Congress have made the cause of Tibetan democracy one of our primary aims here in the Congress and I think there is strong bipartisan support. One of the ways of facilitating that, certainly, is a well-run exchange program.

And I note, again, when we look at what our relationship is with the PRC, we do provide significantly more money to that country, notwithstanding the fact that it continues to be a dictatorship. And I know the reasons behind that—some of which I agree with, some I disagree with.

But the Tibetan Scholarship, what can we do to get that up?

Mr. LOIELLO. Well, with regard to FY 1997, we are looking at \$200,000, Mr. Chairman, which would fund ten grantees.

I know that there had been some initial difficulties, of course, in bringing the students together. But that fund has done a marvelous job and we appreciate, of course, the bipartisan support in both Houses—Senator Pell, of course, is very committed to this in the Senate. I think that what the Director has said, though, is the main issue. As I said, we are looking at 1997 and the Administration is proposing an increase, a doubling, back to \$200,000. We do not know how that will fare, of course, in the longer term.

Beyond that, one of the problems, of course, with something like Tibet, in looking at the kind of chart we were looking at there earlier, is how do we try to engage the private sector also so that we can leverage more money for that Tibet fund. And we have begun

those kinds of discussions with the officials in New York, but it is still very rudimentary.

Dr. DUFFEY. I spent a large, and perhaps futile, part of my career on a crusade to try to persuade the Congress that there are some areas where 2-year funding would both save the Congress some hassles and give us, in certain programs in government, the opportunity to do the planning. You want to spend the money wisely and I think that we are a bit hampered with the private sector agencies. I mean, think about the situation in the last year. We really could not make a commitment to match or draw or fund everything. There is money this year that, in many cases, I think we are spending as much as we can wisely spend given the lateness with which we knew what we had to work with.

So while I have given up on my effort to have 2-year budgets, I think that we must try harder to develop a relationship with private organizations that is not so disruptive to them. But we also have to be careful about making commitments until things are settled.

Mr. SMITH. Is there any attempt being made to reprogram money into 1996 for Tibet?

Dr. DUFFEY. With Tibet?

Mr. LOIELLO. I have just been reminded of something, Mr. Chairman, which I think it is important to put in the record. The Tibet earmark, of course, of 100K is for Tibetans in Tibet and last year we actually gave half a million dollars to the Tibet Fund for refugees in India. I apologize because I was confused.

We will probably do more than 100K—maybe 350K—this year for Tibetans in India. Those funds are, of course, within the Fulbright line, within the Fulbright category.

Mr. SMITH. In FY 1995, USIA spent \$528,000 on scholarships for Burmese exiles. As you know, this was a program initiated by Congress after the pro-democracy Burmese, including thousands of students, fled the anti-democracy crackdown by SLORC. USIA officials have informally reported to us that the program has been a failure because they cannot find eligible Burmese students to participate in the program.

How much does USIA plan to spend in 1996 on the Burmese program? What did the FY 1995 grantee organization, the Institute for International Education, do to locate eligible participants? Have efforts been made to locate students through the Burmese exile organizations, and particularly those affiliated with Aung San Su Kyi? Has our USIA post in Bangkok participated in any effort to locate the participants since there are so many Burmese there?

Dr. DUFFEY. Some of those questions we may need to respond in more detail than we have presently. But, Jack, do you want to comment on that?

Mr. LOIELLO. Well, first of all, I think those are some very important considerations which the Chairman puts to us, Dr. Duffey, and I would like to respond later to each one of those individually.

With regard to the amounts of money, we are looking probably toward a \$350,000 proposal for that, for the program. But I think you have raised one or two ways of facilitating selection, which we will pass on, of course, to the Institute for International Education and work with them on.

Mr. SMITH. OK. If you could provide that.

You said the amount would be how much?

Mr. LOIELLO. At least \$350,000, maybe as high as \$500,000. It is still very, very early because we are doing the reprogramming.

Dr. DUFFEY. I am interested in finding out what criteria are used and—

Mr. SMITH. If you could get back to us on that, it is very important.

Dr. DUFFEY. Certainly.

[The response follows:]

USIA plans to spend \$300,000 in 1996 on the Burmese Program.

During FY 1995 the Institute for International Education was not involved in the recruitment of Burmese students for a USIA program. In an open competition, Indiana University was awarded a grant to initiate a program for Burmese refugee students to study in the United States. Indiana University proposed the recruitment of Burmese students in Thailand and India. Faculty members from Indiana worked with the Open Society Institute (OSI) which placed notices about the program in newspapers in both countries. Also, special announcements and applications were sent to a number of pro-democracy groups in both countries as well as in the United States during November and December 1995.

The groups contacted by Indiana University and/or the Open Society Institute's Burma Project included the All Burma Students' Democratic Front (ABSDF), the New Mon State party, and organizations representing other ethnic and/or religious communities (Chins, Karens, Kachins, and so forth).

USIS Bangkok has for many years strongly supported Agency efforts to recruit, process and obtain departure documents for Burmese students living in Thailand.

Mr. LOIELLO. I understand.

Mr. SMITH. And, again, I think this enjoys very strong bipartisan support as well.

USIA also seems to regard the East Timor Scholarship Program as a failure. A recent report provided to our committee says that USIA continues to have problems locating qualified applicants, and this was the stated reason: because of the language barrier and differences in educational backgrounds. The report implies that no scholarships were granted to East Timores in 1995 or 1996, although in past years, the binational Fulbright Commission in Indonesia has had moderate success in recruiting East Timorese participants.

The main reason Congress originally created the program, as you know, in the 1990's, not as a part of the Indonesia program but as a separate program, was precisely that the government of Indonesia had denied educational opportunities to young people in East Timor. Exactly what efforts have been made to locate eligible participants in 1995 and 1996? If the problem is that young people in East Timor do not speak English, couldn't language training be made part of that scholarship program? And don't most of these Timores speak Portuguese, a language much closer to English than any other languages in Indonesia?

With what local organizations or institutions in East Timor has USIA been working? For example, has USIA sought the assistance of Bishop Bellow, the leading spokesperson for democracy and human rights in East Timor, or of other exiled East Timor democracy activists? And, finally, what is the relationship, if any, between the Indonesia Binational Fulbright Commission and the Indonesian Government? If you could give us that, it would be very helpful.

Dr. DUFFEY. Again, that is information that I would be interested in reviewing myself. I think that what we might want to do after we have answered those questions is discuss with you some strategies that might be useful. We are getting out of the sort of straight-jacket of feeling things always have to fit a particular mold and it may be that some people who establish an English language program using some Americans or others over there for a few years is a better preparation to reap more people.

But let us both look at it and then try to propose, not simply describe the problems to you. I do not like to do that alone, or throw up our hands, but to try to respond with some changes that might be more effective.

Mr. SMITH. I do have some additional questions along those lines. I would ask that they become part of the record.

Let me just ask two final questions. The grant approval documents provided the Congress for the core grant of the National Committee for U.S.-China Relations, the NCUSCR, stresses that their exchanges should be open to participants from China, Hong Kong and Taiwan. What participation has there been from Taiwan and what efforts have they made to recruit in Taiwan? Do you happen to know that?

Dr. DUFFEY. We do not have the answer, but I will raise the questions and we will have, again, a detailed answer back.

[The response follows:]

NCUSCR reports that it conducted thirteen exchange projects from FY 1991 through FY 1996 that involved Taiwan, funded from both public and private sources. Topics included Fulbright summer seminars for Americans in China, Hong Kong and Taiwan, a study team on social and economic change, workshops on security and strategic issues, a rural development delegation, and a delegation of college and university leaders. In addition to these significant, specific projects, the committee organized many more informal interactions between visiting and resident Taiwan officials or academics and their American counterparts.

NCUSCR uses several methods to recruit residents of Taiwan for participation in exchange programs or Americans for visits to Taiwan. The committee has included stays for American teachers in Taiwan as part of its broader "Chinese History and Culture Program". Taiwan is included as part of a visit to the region for some American groups, such as the just-completed workshop on non-governmental organizations. A similar stop is planned at the beginning of a visit by a privately-funded senior military delegation, which will speak with Taiwan's highest political and military leaders about the island's security and related issues. The committee works in Taiwan with the Foreign Ministry and with private and quasi-governmental think tanks to accommodate visiting American groups and stays in close contact with Taiwan representatives in the United States and private organizations in Taiwan to identify opportunities to develop programs for Taiwan visitors in America. Senior committee officers visiting Taiwan usually meet with the most senior public and private sector officials to identify exchange opportunities.

Mr. SMITH. I would appreciate it if you could, because I got into this conversation with some of the representatives when I met with them, they took journalists to China last year. All of them were economic and business journalists. What effort is being made to bring in people who would be investigative reporters, for example, who might take a look at the human rights situation in the PRC? Or is that considered off-limits?

Dr. DUFFEY. Not in the least. I think that the regular press has done a very poor job of giving us some perspective on what these problems are and what their origins are.

Mr. SMITH. Excuse me 1 second.

The staff has asked me to ask one question here. The Fulbright Academic Exchange Program is currently administered through a non-competitive process known as a core grant to a single organization. But aren't there other non-profit organizations with administrative experience and expertise in various regions of the world that would welcome the opportunity to bid for these moneys?

Dr. DUFFEY. Our impression so far is that a kind of contract bidding would break down the scale of the staff support operations and probably diminish the number of grants that could be made. I think one of the questions we all face as we try to provide more private participation, and that is the direction that we must go, is trying to weigh the various values between larger organizations that have accumulated staff and can do the programs with high standards and having all that duplicated in other organizations, and yet we do not have the answer to that yet. We are not entirely pleased with where we are. We do try to go through certification processes and raise standards and review.

I think we could give you some estimate, because we have been looking at this, of what we would judge to be the costs and the negatives. I realize that the positives are more participants. I have wanted USIA not to become an agency that accomplishes its work simply through contracts and bidding because some agencies in the government have demonstrated how both expensive and difficult that is. But let us share with you our research and thinking about the matter.

Mr. LOIELLO. With regard to an affiliated Fulbright Program, we have, of course, looked at the Humphrey Program and it was extended for open competition. And, actually, that led to increased efficiency and effectiveness of the program, although not necessarily a reduced cost.

I think in a number of other programs, particularly the International Visitors Program, we are looking at opening up those competitions, both the regional programs as well as the administrative grants. So the issue that you have raised, and other members of the committee have as well, Mr. Chairman, are ones that we are looking at particularly as a part of reorganization and restructuring of the agency.

Dr. DUFFEY. But I would have, in principle, no problem with a much more decentralized and diversified administrative structure if we could find some way to not sort of lurch every 2 or 3 years and lose the expertise and experience. It may be that there are higher education institutions or others that could take on the program with probably insignificant overhead but could create some kind of national network. We need to look at what the alternatives are and I would be glad to share them.

Mr. SMITH. I appreciate that.

You know, the jury is out——

Dr. DUFFEY. Yes.

Mr. SMITH [continuing]. on tracking out whether or not that works. Even sole source procurement within the Department of Defense has its problems. Sometimes when you break it out and start bidding, you end up getting an inferior product and you pay more. So I do appreciate the deliberations, especially since there is some feedback already, as you indicated——

Dr. DUFFEY. Yes.

Mr. SMITH [continuing]. that it has not actually produced the windfall that the surface appeal would suggest.

Dr. DUFFEY. I think the present climate—let's say we were to go out for some bids—it seems to me that institutions looking at the recommendations of the House Budget Committee that all these programs simply be privatized over the years would be reluctant to make the investment they would need to make. So the current instability comes at the same time when I think we have much more awareness that there ought to be more bidding and competition. But let us share where we are with it now and stay in consultation with you.

Mr. SMITH. I appreciate that.

And I want to thank both of you for your very fine testimony. We do have a number of additional questions on top of those that you will be getting back to us. I look forward to those answers and thank you again. I echo the comments of my friend from California. We appreciate the good work you do, Dr. Duffey, and you, Dr. Loiello, and——

Dr. DUFFEY. We are grateful for the hearing, Mr. Chairman. I think this is an area that is probably going to come back into its own because so many other ways of working are frustrating because it has a certain frugality about it and because there is a clear record. I must say I do not believe that the cold war would have ended the way it did had not Eisenhower made that commitment. I think it was a very wise and shrewd commitment. And, in addition, he invited the American people into the foreign policy experience and built a nation of better understanding.

In fact, I just learned that Mr. Eisenhower felt that he could have just as easily run as a Democrat but the Taft isolation wing of the party sort of drew him in—initially, even reluctantly—because he saw that issue, which is, I think, the same issue that we have today, of a kind of an isolation, was the key issue of the time. So there are many reasons why these programs, I think, serve us well.

Thank you for this opportunity.

Mr. SMITH. Thank you very much.

The hearing is adjourned.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned, to reconvene subject to the call of the chair.]

APPENDIX

OPENING STATEMENT

THE HONORABLE DR. JOSEPH DUFFEY

DIRECTOR, UNITED STATES INFORMATION AGENCY

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

AND HUMAN RIGHTS

COMMITTEE ON INTERNATIONAL RELATIONS

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 25, 1996 - 2:00 P.M.

(29)

Mr. Chairman, Members of the Subcommittee:

We welcome the Committee's invitation to review exchanges at a time of change and challenge for U.S. foreign policy. There has been much discussion recently, in Congress and elsewhere, concerning government's continuing role in international exchange and training programs in the post-Cold War era. My colleague, Dr. Loiello, and I would like to address this issue directly. In our view, the end of the Cold War, and a changed domestic environment, not only enhance the rationale and relevance of government involvement but prompt a reexamination of the purpose, as well as the character and nature of government's involvement in this arena.

Proliferating political and cultural forces will challenge us in the Twenty-first Century. America's security will require that we understand those forces. America's prosperity will be measured in terms of how well we interact with them. Through the Fulbright, International Visitor and other programs started in the 1940s, our exchanges helped to shape the post-World War II realities and to develop our relationships with former adversaries, traditional allies and many new independent nations.

Among those who participated in the International Visitor program, over 150 become chiefs of state and heads of government, including former U.K. Prime Minister Margaret Thatcher, former President of Costa Rica and Nobel Peace Prize recipient, Oscar Arias, five former Prime Ministers of South Korea, and former South African President F.W. DeKlerk, who credits his USIA-sponsored tour of the United States with helping him to reconsider his views on *apartheid*. Twelve of thirteen cabinet members of Philippine President Corazon Aquino's government were USIA exchange participants; they helped secure the successful transition from the Marcos era to a democratic system.

Today we have a similar opportunity to shape and influence the aftermath of the Cold War and the world leaders of the Twenty-first Century, exchange and international training programs are indispensable foreign policy instruments which will continue to link America and a volatile, unpredictable world.

But the compelling global mandate for exchanges is also reinforced by the rapidly changing domestic environment. In *Foreign Affairs* two years ago, Michael Clough described the 'fresh constellation of United States domestic forces' at play in foreign policy: the emergence of a globalized economy, the regionalization of foreign policy making, the impact of ethnicity on policy and the rise of powerful global issue groups.

This 'globalization of American society' is by its nature empowering. It increases the incentives, and opportunities, for individuals as well as local, state, and regional institutions to become more involved, meaningful actors, in world affairs. Notwithstanding the media's assertion that the American people are not interested or are less engaged in foreign affairs, USIA programs repeatedly demonstrate the intense commitment of grassroots America to international issues and problems.

USIA considers this an exciting challenge, one which calls on government to play a new and different role within the constraints of limited resources -- one which encourages and energizes the initiatives of domestic and regional actors and improves the security and welfare of all. This challenge also provides us with an unparalleled opportunity to recognize our particular strengths, and to renew and build upon them. And one of our greatest strengths lies in the soundness of the view that governments are not the only master-builders of connections and bridges between peoples; on the contrary, there are millions of architects.

The mission and the vision of the U.S. Information Agency remain the same: what have changed are the environment, the challenge, and the opportunity. This new environment, both domestic and international, demands a refined, revitalized leadership in the arena of international exchanges and training, one which energizes and focuses public and private resources, in the national interest.

USIA and its Bureau of Educational and Cultural Affairs work in partnership with more than a thousand American organizations which run the gamut of human endeavor. In response to the changed environment, we have expanded these partnerships, built on existing networks and together created new ones in the context of foreign policy goals. We have streamlined our existing programs and enhanced our ability to respond quickly and effectively to special needs. We have developed partnerships which respond to the new dynamic at work, including the development of free markets and our economic security.

In an age of diminishing or static resources, and an increasing number of demands competing for those resources, neither government nor the private sector can address its objectives in isolation. Nor any more, should they seek to do so. With the private sector, both here and abroad, a new paradigm of partnership is evolving with USIA regarding exchanges and training which examines commonalities of interest and shared goals. Society is well served when corporations, foundations, non-profits, and government synergistically support the interests of each sector. In the new view, mixed motives serve the public interest just fine, so long as they produce good results.

And so, the role of the U.S. Government and USIA in exchanges and international training in the post-Cold War era is quite simply as a focuser and leverager, as well as a provider of resources; a catalyst and facilitator, as well as a funder. As such, we can accomplish our goals as well as help the private sector do its job better. The nation benefits from both. And the increasingly 'empowered' American public demands no less.

USIA's range of international exchanges and training activities -- the Fulbright Foreign Scholarship Program, the International Visitor Program, and professional and cultural exchanges -- are among the critical tools at the disposal of USIA in addressing U.S. national interests. The Agency is our nation's principal vehicle for projecting a fuller picture of our ideas and values in places where the main impression of America is derived from its entertainment and commercial exports.

In Russia, Vietnam and several countries in South America, our exchange programs are training young entrepreneurs in how to develop and benefit from a free market economy. Without our help, those economies might never make the successful transition from state control to the free enterprise system. With it, they can provide greatly expanded markets for American goods and services.

Our educational advising centers around the world are the gateway for many of the more than 450,000 students who come to our shores each year to attend college. Once here, these students enrich both our society and our economy, injecting \$7 billion annually into the American marketplace.

Our exchange programs are investments that promise long-term dividends in the international arena and immediate benefits to our own local economies. Our small seed grants to grassroots organizations, such as the International Visitors Council of Philadelphia, stimulate volunteer hours and leverage private funds to host international visitors. According to Philadelphia Mayor Edward Rendell, his city alone takes in more than \$2 million annually from the expenditures generated by foreign visitors under USIA's International Visitor Program.

Let me cite some examples of today's USIA exchange and training programs which are having a real impact in support of U.S. foreign policy:

- USIA exchange programs support regional security and conflict resolution. West Bank participants in the Humphrey Fellowship program have been playing a leading role in the Arab-Israeli peace process. One USIA fellow, who is directing the Oslo 2 Israeli/Palestinian "people-to-people" effort, called the Humphrey program "a turning point in my career and my life" that provided invaluable management and communication skills. Another Humphrey participant, the director of a human rights counseling center in Jerusalem, was elected earlier this year to the Palestinian parliament. In South Africa, we have even reached out as far as the new, multi-racial police force, promoting affirmative action strategies and the management of cross-cultural conflict in a society that remains combustible.
- USIA exchange programs promote American business concepts and practices as well as contacts at the state and local levels between American and foreign community leaders. Since its inception two years ago, our "Business for Russia" program has brought some 1,300 Russian entrepreneurs to the United States for hands-on business experience in nearly thirty different American communities. Many of the program's ambitious objectives are being fulfilled. It is creating networks of promising Russian entrepreneurs who have shared a free market experience, are committed to changing their society and are intent on expanding business and trade relationships with the American private sector. One Russian official commented that the cadre of forty or so

participants from his region had already made a significant contribution to the growth of the business community there.

- USIA exchange programs continue to challenge closed societies and dictatorships that suppress human rights. A Federal district judge's recent visit to Nigeria had such an impact on Nigeria's embattled media and legal community that Nigerian authorities have since denied visas to USIA sponsored visitors and disrupted programs on human rights and the rule of law. In Burma, where U.S. diplomatic leverage is limited, our Embassy has appealed for more exchange programs in the face of the Burmese regime's continued strangle hold over access to information and severe limitations on travel outside of the country. USIA International Visitor grants, for instance, are instrumental in sustaining and reinforcing the Burmese people's democratic aspirations and, when the time comes, will help pave the way for those aspirations to be put into practice.
- USIA exchange programs bring the next generation of political and economic leaders to the United States and provide our missions overseas with a base of influential contacts who have had direct exposure to American values and concepts. The new Polish government, for instance, has four former Fulbright scholars among its cabinet members, including the Prime Minister, Foreign Minister and the Minister of Finance. These individuals have helped ensure Poland's continued commitment towards economic reform and integration with the West. Likewise, Brazil's current drive to restructure its public sector and open its economy to greater competition are major features of President Fernando Henrique Cardoso's reform agenda. Both President Cardoso and his wife are former Fulbright scholars.

Compared to many of our other foreign policy tools, international exchanges represent a modest investment towards shaping the world we and our children will face in the next century. For USIA, our mission as an agency remains the same. What has changed is the environment in which we find ourselves and the challenges and the opportunities that come with it. In a number of ways, USIA exchanges already have adapted to the dramatically charged environment of the post-Cold War world.

- USIA exchanges complement, rather than duplicate, exchanges in the private sector. USIA commits a far higher percentage of its resources to regions like Russia and the CIS, the Middle East and Africa than does the private sector. Correspondingly, its investment in Western Europe and East Asia, where private exchanges are most robust, is comparatively lower. Similarly, USIA exchanges emphasize policy-oriented fields of study like government, media and economics where a smaller percentage of private sector exchanges take place. For instance, USIA devotes 20% of its exchanges to government and 8% to media, whereas the comparable private sector figures are one percent or less. The private sector, on the other hand, puts two-thirds of its exchanges into the physical and life sciences; the corresponding figure for USIA is only 10

percent. The government continues to have a crucial role both in complementing the private sector and in acting as a catalyst for policy driven partnerships which advance the national interest.

- USIA exchanges are policy-driven. Exchange resources are targeted especially on countries and regions of greatest strategic importance to the United States and on international issues of major significance for our country. The five countries with which the most USIA exchanges take place are all top priorities for foreign policymakers: Russia, Germany, Ukraine, Poland and China. Western Europe is our biggest trading partner and the countries of NATO and the EU are our main allies on a host of international issues. Evidence of the high value our European partners place on our exchange programs is the fact that nearly all West European governments match or exceed the U.S. contribution to their Fulbright commissions.
- USIA exchanges are highly leveraged and cost-effective. At present, 32% of USIA exchanges are supported by private sector or other outside funds. We anticipate that our programs will soon reach the 40% mark, a figure unequaled anywhere else among the foreign affairs agencies -- indeed, in the government. One excellent example is the Fulbright Teacher Exchange program, which in FY95 supported 436 full year exchanges at a cost of \$19.4 million, only \$2.9 million of which was provided by USIA funding. Similarly our International Visitors program, funded at \$49 million, leveraged \$45 million in private sector resources. Even in our modest-sized arts programs, appropriated funds lend legitimacy and stature to projects and impressively leverage anywhere from four to twenty times the equivalent in cash and kind from other sources. The highly successful "Corridors of Culture" program, which sends teams of writers, publishers and agents overseas to advise their foreign counterparts on how to build self-sustaining book markets, is one of these new, cost-effective initiatives.

In closing, Mr. Chairman, I believe that it is critical for all of us to appreciate international exchanges and training programs for what they are: one of the best long-term investments which we can make in securing a favorable climate overseas for U.S. global leadership, U.S. trade and investment, and U.S. intellectual and creative prowess. In the next century, as powerful new forces shape a vast and diverse set of interactions across national boundaries, and people-to-people contacts become even more important, the U.S. government must remain engaged in this arena to ensure that these exchange flows enhance rather than ignore U.S. foreign and security policies.

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ENI F.H. FALEOMAVAEGA
Member of Congress

IN SUPPORT OF USIA INTERNATIONAL EXCHANGES
HEARING BEFORE
THE
INTERNATIONAL RELATIONS COMMITTEE
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
U.S. HOUSE OF REPRESENTATIVES

JUNE 25, 1996

MR. CHAIRMAN:

I WANT TO COMMEND YOU FOR HOLDING THIS HEARING TODAY TO EXAMINE WHAT MANY MEMBERS ON BOTH SIDES OF THE AISLE FEEL IS AN IMPORTANT AND VITAL TOOL OF U.S. FOREIGN POLICY -- THE USIA'S EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

MR. CHAIRMAN, INTERNATIONAL EXCHANGES INTRODUCE CITIZENS AROUND THE WORLD TO AMERICAN IDEAS, AND PLANT THE SEEDS FOSTERING THE GROWTH ABROAD OF DEMOCRATIC GOVERNMENT AND FREE MARKET ECONOMIES. NOTHING CAN REPLACE THE PERSONAL FACE-TO-FACE INTERCHANGE OF IDEAS LEADING TO MUTUAL UNDERSTANDING, AND MR. CHAIRMAN -- BETTER UNDERSTANDING BETWEEN THE PEOPLES OF NATIONS, ULTIMATELY, IS THE FOUNDATION FOR INTERNATIONAL PEACE AND PROSPERITY.

I STRONGLY FEEL THAT THE EXCHANGE PROGRAMS WITHIN USIA HAVE PERFORMED AN INVALUABLE SERVICE TO THIS COUNTRY -- SUCH AS BRINGING RUSSIAN AND N.I.S. STUDENTS TO THE U.S. FOR EXPOSURE TO OUR SOCIETY, POLITICAL SYSTEM, AND VALUES. NO DOUBT, THIS FIRSTHAND EXPERIENCE WITH AMERICAN DEMOCRACY HAS HELPED TO DISPEL THE RETURN OF COMMUNISM TO THESE STUDENTS' HOMELANDS, CONSOLIDATING AMERICA'S VICTORY IN THE COLD WAR.

SMALLER EXCHANGE PROGRAMS WITHIN THE USIA -- SUCH AS THE SOUTH PACIFIC ACADEMIC SCHOLARSHIP PROGRAM -- ALSO SERVE IMPORTANT AND CRUCIAL MISSIONS. THE PACIFIC ISLANDS ENCOMPASS A VAST AREA APPROXIMATELY ONE-THIRD OF THE GLOBE, AND SINCE WWII, THE U.S. HAS ENJOYED A STRONG RELATIONSHIP WITH THE ISLAND NATIONS. DUE TO SUBSTANTIAL DIPLOMATIC CUTBACKS IN THE REGION, HOWEVER, THE RELATIONSHIP HAS DETERIORATED AND MANY PACIFIC LEADERS FEEL THE U.S. HAS ABANDONED HER LONGTIME FRIENDS AND ALLIES.

THE SOUTH PACIFIC SCHOLARSHIP PROGRAM ADDRESSES THESE CONCERNS BY BRINGING TALENTED PACIFIC ISLAND STUDENTS FOR STUDY IN THE U.S, ENHANCING RELATIONS BETWEEN OUR COUNTRY AND AN ENTIRE REGION OF THE WORLD. ALTHOUGH THE PROGRAM IS SMALL AND MODESTLY-FUNDED, IT IS DEEPLY APPRECIATED BY THE PACIFIC NATIONS FOR WHAT IT SYMBOLIZES -- AMERICA'S COMMITMENT TO THIS PART OF THE WORLD. AMBASSADOR WINSTON LORD, OUR ASSISTANT SECRETARY OF STATE FOR ASIA-PACIFIC AFFAIRS, NEVER FAILS TO STRESS THAT THE ISLAND ACADEMIC SCHOLARSHIP PROGRAM CONSTITUTES PROOF OF U.S. ENGAGEMENT IN THE REGION.

THROUGH THIS ACADEMIC EXCHANGE, THE BEST AND BRIGHTEST STUDENTS FROM TEN PACIFIC ISLAND NATIONS -- COUNTRIES AMONG THE WORLD'S LEAST DEVELOPED AND MOST GEOGRAPHICALLY ISOLATED -- ARE HELPED TO COME TO THE U.S. FOR STUDY. LAST YEAR, OVER 500 ISLAND APPLICANTS COMPETED FOR 15 SCHOLARSHIPS. THIS ENTERING CLASS SUBSEQUENTLY COMPILED A 3.6 CLASS GPA AVERAGE, WITH HALF OF THEM BEING NAMED TO THE "DEAN'S HONOR LIST."

MR. CHAIRMAN, WITH THE EVIDENT SUCCESS OF THE SOUTH PACIFIC ACADEMIC SCHOLARSHIP PROGRAM, I AM GRATIFIED TO HEAR THAT THIS WORTHY INITIATIVE THAT SERVES AN ENTIRE REGION OF THE WORLD SHALL RECEIVE A SMALLER CUTBACK THAN INITIALLY PROJECTED. ALTHOUGH WE ARE IN A TIME OF SCARCE RESOURCES, THERE IS NO FAT IN THIS PROGRAM TO CUT.

I THANK THE CHAIRMAN FOR HIS SUPPORT OF THE SOUTH PACIFIC ACADEMIC EXCHANGES, AS WELL AS OTHER IMPORTANT EXCHANGE PROGRAMS THAT SERVE THE NATIONAL INTEREST.

ADDITIONAL BACKGROUND AND DETAILS
REGARDING SOUTH PACIFIC SCHOLARSHIP PROGRAM

1. SOME OF THESE STUDENTS COME FROM ISLAND COUNTRIES WITH VERY LIMITED RESOURCES -- SUCH AS TUVALU AND KIRIBATI, WHERE THE PER CAPITA INCOME IS BARELY \$500 A YEAR -- AND WHICH SUFFER FROM SEVERE HEALTH AND ENVIRONMENTAL PROBLEMS, SUCH AS IN PAPUA NEW GUINEA WHERE THE CHILD MORTALITY RATE APPROACHES 10%.

2. MANY OF THESE PACIFIC SCHOLARS ARE DESTINED FOR LEADERSHIP ROLES UPON THEIR RETURN HOME. UNDER THE ACADEMIC EXCHANGE PROGRAM, TALENTED ISLAND STUDENTS PURSUE FIELDS OF STUDY THAT DIRECTLY IMPACT ON NATIONAL DEVELOPMENT -- INCLUDING PUBLIC HEALTH, ENVIRONMENTAL SCIENCES, BUSINESS ADMINISTRATION AND TROPICAL AGRICULTURE.

3. THE EAST-WEST CENTER WITH THE UNIVERSITY OF HAWAII HAS BEEN DOING AN EXCELLENT JOB IN ADMINISTERING THE SOUTH PACIFIC ACADEMIC SCHOLARSHIP PROGRAM.

ADMINISTRATIVE OVERHEAD COSTS HAVE BEEN VERY LOW. THE EFFICIENT USE OF FUNDS ALLOCATES ONLY 6.5% TO OVERHEAD, WITH THE REST GOING DIRECTLY TO SCHOLARSHIPS. IN FY 1995, ADMINISTRATIVE COSTS WERE REDUCED TO 2%.

4. ALTHOUGH THE SOUTH PACIFIC EXCHANGE PROGRAM PROVIDES ONLY A RELATIVELY MODEST NUMBER OF SCHOLARSHIPS TO AN ENTIRE REGION, IT SYMBOLIZES AND UNDERScores A COMMITMENT BY THE UNITED STATES TO MAINTAIN A ROLE IN THE PACIFIC. OUR NATION HAS AN UNPARALLELED OPPORTUNITY TO SHAPE THE QUALITY OF HUMAN RESOURCES THAT ARE NECESSARY FOR RESPONSIBLE DEVELOPMENT IN THE PACIFIC ISLANDS REGION AS WE ENTER THE NEXT CENTURY.

THE SOUTH PACIFIC EXCHANGES IS AN UNIQUE AND COST-EFFECTIVE PROGRAM WHICH SERVES THE NATIONAL INTEREST.

The Washington Post - June 18, 1996

U.S. Loses Rank in Global Giving

Once Aid Leader, America Now Rates Last in Relative Generosity

by Thomas W. Lippman
Washington Post Staff Writer

The United States, once the world leader in aid to developing nations, has dropped to fourth in the amount of money it spends on such aid and is a distant last among donor nations in the percentage of economic output devoted to foreign aid, according to new figures released yesterday.

Japan, France and Germany contributed more money to Third World development last year than the United States did. America fell to fourth place from second, behind Japan in 1994.

The United States also was last among the 21 nations in the Development Assistance Committee of the Paris-based Organization of Economic Cooperation and Development in the share of national output devoted to Third World assistance, OECD reports.

Among the countries that contributed more of their gross national product were Portugal, Ireland and New Zealand, negligible economic powers by comparison with the United States, which has by far the world's biggest economy.

The OECD figures were trumpeted at a news conference yesterday by Clinton administration foreign aid director J. Brian Atwood and spokesmen for non-governmental groups supportive of foreign aid. They used the figures to argue that U.S. aid has fallen too far and that this country is abdicating its global responsibilities.

"Our foreign assistance program accounts for less than 1 percent of our national [federal government] budget, about \$34 per taxpaying family," Atwood said. "That's not generous. We should feel ashamed. We are failing to fulfill our responsibilities as a world power. More importantly, we are failing our own national interests and we're failing our own national values."

Atwood's Agency for International Development has been hit especially hard by budget cuts imposed by the Republican-controlled Congress, where many members are hostile to most forms of foreign aid. This morning, Atwood said, AID will begin laying off 200 workers, including veterans with years of experience in the field and foreign language skills, because "we do not have the budget to sustain their employment."

Atwood and his allies — including Rep. Tony Hall (D-Ohio) and Julia Taft, president of the Inter-action umbrella organization of volunteer groups — made the same argument they have been making for the past year and a half: that it is penny-wise but pound foolish for Congress to beef up defense spending but cut development assistance that could make military interventions unnecessary.

"Many members of Congress, especially the newer ones, they express a deep hostility toward foreign aid," Hall said. "Many elected officials lack the vision and

the leadership to make it clear to their voters that the eradication of poverty is in the best interest of everyone, both rich and poor countries."

Congress has not been moved by such arguments. Funds for development and humanitarian assistance — not including military aid — were cut from \$8.4 billion in fiscal 1995 to \$7 billion this year and are scheduled to decrease a bit more next year — even as the House voted earlier this month to spend \$11 billion more on defense than the administration requested.

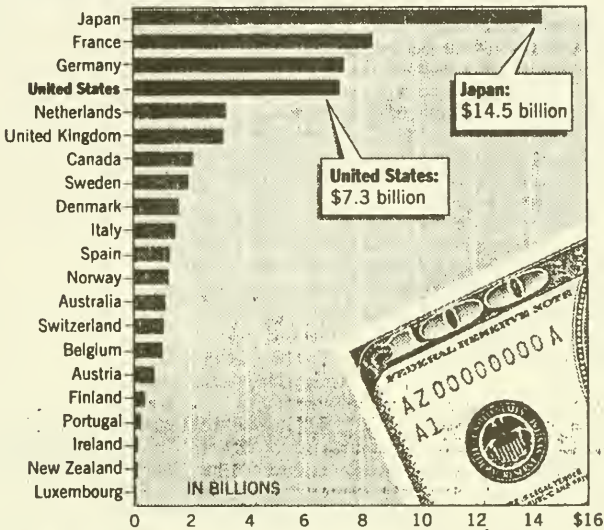
Using slightly different categories, the OECD credited the United States with \$7.3 billion in development aid in 1995. Japan gave \$15.5 billion, France \$8.44 billion, and Germany \$7.5 billion. The U.S. figures was one tenth of 1 percent of GNP, the lowest in the contributors' group. The highest was Denmark, at just under 1 percent of GNP.

The role of U.S. assistance in the developing world was narrowed by the heavy concentration of funds going to Israel and Egypt: \$2.05 billion of the \$7.3 billion was earmarked for those two Middle East nations.

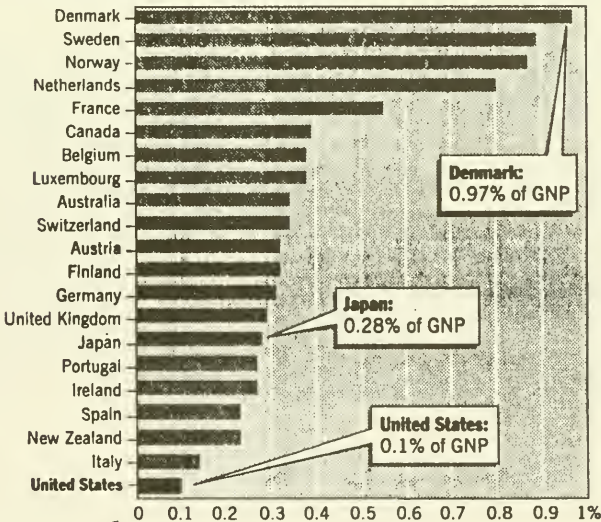
Supporters of foreign aid complain that Americans in general, and many members of Congress, believe foreign aid is a big-ticket item in the U.S. budget that can be slashed to cut the deficit. The reality, Taft said, is that this represents "widespread misunderstanding about how little money really goes to foreign aid."

COMPARING FOREIGN AID

The United States ranked fourth in the world in total dollars spent on foreign aid in 1995...



... but ranks last among major industrialized countries when foreign aid is taken as a percentage of gross national product.



SOURCE: Organization of Economic Cooperation and Development

THE WASHINGTON POST

Office of the Prime Minister



Rarotonga

Cook Islands

19 June 1996

The Honourable Christopher H. Smith
 Chairman, Subcommittee on International
 Operations and Human Rights
 2370 Rayburn House Office Building
 Washington, D.C. 20515-3004
UNITED STATES OF AMERICA

Dear Mr Chairman

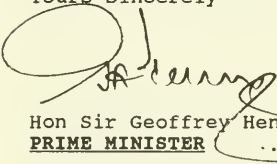
I have recently learned that the Subcommittee on International Operations and Human Rights will on 25 June 1996 convene a hearing concerning U.S. educational exchange programs. I welcome this opportunity to convey to you and your colleagues the importance of the South Pacific Islands Scholarship Program for the Pacific Islands Region as a whole, and to offer a specific example how this support has been of very practical benefit to one country namely, the Cook Islands.

When the East-West Center first launched its Pacific Islands Education and Training Initiative in 1992, there was an extremely small number of Pacific islands students studying in the United States. Through this well managed and highly competitive program, the number of students pursuing degrees at the University of Hawaii and at other institutions of higher education in the United States has grown to almost thirty. While this is by no means an overwhelming number, the scholarships will, if continued over time, make a significant contribution to the human resource development endeavours of the Pacific island nations. In light of the substantial reduction in U.S. supported activities in the Pacific, this program stands out as one of the most tangible and beneficial indicators of U.S. interest in, and commitment to, this part of the world. As Chairman of the Standing Committee of the Pacific Islands Conference of Leaders, I wish to assure you that this program enjoys broad based support throughout the entire Pacific islands region.

One of the program's participants, Mr Tuaere Tangianau, has recently graduated and come home to the Cook Islands. His experience is indicative of the solid results that the South Pacific Islands Scholarship Program is achieving. Mr Tangianau began his undergraduate studies in the University of Hawaii's College of Tropical Agriculture. However, after several semesters Tuaere found that he was drawn to the study of chemistry, which became his academic major. Following completion of this rigorous course of study, Tuaere returned to join the Special Projects Division of my Office. As the only BS Chemistry graduate in the entire Cook Islands, he is the obvious choice to become the production chemist in our USD650 million deep sea Manganese nodule mining program which my Government and Bechtel Corporation are jointly developing. I am sure that every participating country can offer similar concrete examples.

I look forward to hearing of your continuing support of this important educational programme.

Yours sincerely



Hon Sir Geoffrey Henry KBE
PRIME MINISTER ..

STATEMENT OF THE HONORABLE LAWRENCE EAGLEBURGER
BEFORE THE SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS

COMMITTEE ON INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 25, 1996

Mr. Chairman, Members of the Subcommittee,

I regret that another commitment prevents me from appearing today before the Subcommittee, but I would like to share with you my views on the enduring, critical role of exchange programs administered by the U.S. Information Agency. During my 31 years in the Department of State both in Washington and overseas, these programs have been always an important element of U.S. foreign policy. The collapse of the Soviet Empire and the end of the Cold War vividly demonstrated the decisive, ubiquitous power of ideas. USIA exchange programs have been a vital instrument to project American ideas and policies among existing and future leaders around the world.

Most of these programs started and prospered in the Cold War period. The Fulbright and International Visitor programs, in particular, were indispensable foreign policy tools with the future leadership of countries around the world. These exchanges helped us to build our post-World War II alliances with Western Europe and Japan; they established our intellectual and cultural ties with the leaders of the many new nations in the former colonial empires; and they slowly but relentlessly penetrated the Iron Curtain to open up closed societies to the eventually triumphant ideas of freedom and democracy. For every U.S. Ambassador, the USIA exchanges programs are always among the most important Mission priorities in a country. They enable the Mission to engage a wide spectrum of the society -- from students and artists to journalists and religious leaders -- which simply would not be possible without these programs.

Some people, however, argue that these programs have outlived their usefulness in a post-Cold War period. In fact, educational and professional exchanges are even more important to U.S. foreign policy now than at any time since World War II. Today's global landscape of sweeping diversity and change introduces a new but compelling setting for these programs:

- The transition to democracy by the former Soviet bloc countries is incomplete;
- Ethnic and sectarian tensions intensify in many regions of the world;
- Industrialized and developing countries alike struggle with the dislocation and adjustments of a highly competitive, interdependent global economy;

- America's traditional alliance relationships are being tested and redefined in the post-Cold War period;
- Environmental problems which respect no national border are an increasingly important issue on the global agenda.

On the eve of the 21st century, the new and challenging international environment creates a persuasive policy-driven impulse for USIA exchanges. If we are to succeed in the next century as we did during the Cold War, we must make the same commitment to the programs that equip American foreign policy to project our values and ideas. America's economic and military security in the next century will depend on our readiness today to engage the future generations of leaders in countries around the world. We cannot complacently conclude that the success of American ideas in the Cold War necessarily ensures the resonance of those ideas in the decades ahead. We must have the policy resolve and the programs to sustain America's position in the world.

The shrinking world of instantaneous electronic communication is not, however, a substitute for the direct, personal experience of our exchange programs. Relying on CNN, Hollywood films or the Internet to communicate American ideas offers at best an incomplete, sometimes distorted picture of the United States. Only government-sponsored educational and professional exchanges provide the policy-driven resource which most effectively can touch the values, attitudes, and lives of the participants. These programs are a deliberately targeted, highly focused foreign policy tool which cannot be replaced by the commercial media or popular culture.

After World War II, the United States made an historic step to abandon traditional peacetime isolationism. Our educational and professional exchange programs -- along with the Marshall Plan, NATO, and other international initiatives -- were part of the strongly bipartisan commitment to shape the postwar world. At the end of another war -- the Cold War -- we have reached another defining moment when the United States must make the commitment to shape the very different but still complicated, often inhospitable world of the 21st century.

I am convinced that USIA's exchange programs must remain a vital part of American foreign policy's response to the new global environment. Some may question whether or not the United States today can afford the resource commitment to such international activities. My reply only is that our nation in fact cannot afford the risk of the intellectual disarmament resulting from abandonment or major retrenchment of these programs. America's place in the 21st century will stem not only from our military and economic strength but also from the reach and resonance of our ideas, which USIA exchange programs have demonstrated a unique, irreplaceable capacity to support.

ISSUES '96:

The Candidate's Briefing Book

Edited by

*Stuart M. Butler
and
Kim R. Holmes*

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002

PUBLIC DIPLOMACY

THE ISSUES

Public diplomacy is the means by which the U.S. government communicates directly to the peoples of foreign countries. Essentially, it involves the information and cultural activities of the United States government. Public diplomacy enables the U.S. government to present its perspective to people in other countries and to provide accurate information about the U.S. to those who otherwise would never receive it, preferably in a manner other cultures will find credible. These efforts take place outside of the standard channels of diplomacy—specifically, outside the State Department, which conducts formal diplomatic relations with other nations.

In this age of information, mass communication is rapid, virtually global, and accessible with unprecedented ease to a larger number of people than ever before. Information can affect mass sentiment and public opinion in foreign nations, and therefore the policy decisions of foreign governments. In certain situations, ideas and imagery can have greater impact than bombs and bullets. Thus, public diplomacy, particularly the direct dissemination of policy decisions and the rationale for making them, remains an important tool of foreign policy.

A prime example of the impact of public diplomacy is the fall of the Soviet Union. The Soviets could not compete in the modern world without opening up their captive empire to new forms of information and communication technology. Once that happened, they no longer could isolate their people from Western ideals of democracy, free markets, and individual liberty. It was the communication and popularization of these ideals which eroded the legitimacy of Communism and, as much as Western military strength, eventually brought the Soviet structure crashing down.

Some liberals criticize public diplomacy as a form of propaganda. They see it as a camouflage for activities that are improper for the U.S. government. This position flows from the Left's reflexive "blame America" attitude. Those who hold this view evidently believe that America's institutions are deeply flawed, and that America's founding principles are irrelevant to nations struggling to find their way in the chaotic post-Cold War era.

Some conservatives are critical of public diplomacy as well. They believe that America should concentrate on solving internal domestic problems like out-of-control deficits and excessive federal spending. These skeptics believe that reaching foreign publics with American ideals should be subordinated to other, more pressing needs.

While most Members of Congress support official U.S. broadcasting, there is no consensus in Congress or in the Administration on how much the U.S. should spend on public diplomacy. Nor is there unanimity on how the official components of public diplomacy, such as the United States Information Agency, should be organized.

THE FACTS

- ♦ The primary broadcasting arms of the U.S. government are 1) the Voice of America, which broadcasts to nearly 100 million people worldwide; 2) Radio Free Europe/Radio Liberty (RFE/RL), which is heard in areas once under Soviet domination; and 3) Radio Marti, which covers communist Cuba. VOA broadcasts world news as well as statements of official U.S. government policy. RFE/RL reports on events and activities inside the former communist countries, thus serving as a surrogate news service for local citizens. This vital role is unique because of RFE/RL's credibility as an independent, non-local government source of news and information.
- ♦ The U.S. Information Agency conducts America's official information and cultural activities. For example, it maintains libraries around the world and hosts an extensive program of cultural exchanges. It sponsors foreign visitors who come to the U.S. and have a chance to experience democracy and free enterprise firsthand. Its research bureau measures foreign public reaction to U.S. policies. Moreover, American spokesmen—not merely U.S. government officials—travel abroad under USIA auspices to explain aspects of America to non-governmental foreign offices.

THE RECORD

Public diplomacy agencies and media have undergone significant reorganization since the Cold War ended. The Board for International Broadcasting was abolished at the end of 1995 by presidential decision, and funding for Radio Free Europe/Radio Liberty, formerly handled by the Board, will be disseminated directly through the United States Information Agency (USIA), an independent executive branch agency. This emphasizes USIA's role as America's primary arm of public diplomacy. However, even while public diplomacy is being consolidated under USIA, its budget has been severely curtailed. The USIA budget in FY 1993 was \$965 million. The budget for FY 1995 was \$520 million.

Neither Congress nor the Administration has provided adequate support for U.S. international broadcasting. For example, the Voice of America (VOA), the U.S. government's primary broadcasting medium, has been severely slashed by congressional "deficit hawks," resulting in the loss of 400 uniquely skilled professionals and the ability to broadcast in 20 foreign languages. These cuts in FY 1996 come on top of others mandated in the FY 1994 International Broadcasting Act, which cut 900 staff employees at Radio Free Europe/Radio Liberty and 350 at the VOA.

WHAT TO DO IN 1997

To tell America's story abroad more effectively, Congress and the Administration should:

- ✓ **Adjust methods of information dissemination to the post-Cold War era.** The USIA's audience is considerably different in the post-Cold War era; foreign audiences increasingly listen to AM/FM radio and watch television, while the number of short-wave radio listeners is falling sharply. Therefore, there must be a stronger investment in AM/FM radio and television broadcasting, but short-wave investments may be reduced to more appropriate levels. At the same time, the U.S. government must maintain a "surge capacity" to reach foreign audiences directly. It cannot rely on commercial media outlets to articulate U.S. policy around the world. Information dissemination through the Internet also must be encouraged.

- ✓ **Emphasize reaching the populations of emerging democracies.** The U.S. has a vested interest in reinforcing the emerging democracies' commitment to freedom and both economic and political reform. The benefits would be greater security for the U.S., increased trade opportunities, and stronger international economies. Public diplomacy can facilitate this by providing ideas, information, and practical experience in the form of broadcasting, professional exchanges, and training programs.
- ✓ **Provide adequate funds for international broadcasting.** Funding for international broadcasting should be maintained at current levels. This requires at least \$385 million for the VOA, \$240 million for Radio Free Europe/Radio Liberty, and \$27 million for Radio Marti.

Q & A

Q. Now that the Cold War is over, isn't public diplomacy, especially government broadcasting, unnecessary?

A. America still needs an effective voice to present democratic and free-market values in today's competitive global marketplace of ideas. Other nations, many of them unfriendly to America, are speaking aggressively in this marketplace. The revolutionary regime in Iran is a notable example. America needs to be there as well, engaged in the vital war of ideas, in order to shape the kind of world we want.

Q. America's values can reach the world through CNN, other broadcast media, and many forms of popular entertainment. Why do we need the Voice of America?

A. Much of the American popular entertainment that reaches the world—rock music and Hollywood films, for example — conveys a jaundiced view of America, giving some countries one more excuse to condemn the United States. And CNN, while virtually a global network, does not reach an audience nearly as wide, diverse, or strategically targeted as the audience for U.S. government broadcasting. Nor can CNN speak on behalf of the U.S. government. We cannot rely on Ted Turner to give our official spokesmen the opportunity to tell America's story, directly and unfiltered, in a future world crisis. The United States, as the world's only remaining superpower, must retain this "surge capacity." Pop culture and Hollywood shouldn't be the only broadcasters of American values abroad. America still needs an official voice to explain its policies.

Q. Should the functions of USIA be merged into the State department?

A. Some have argued that this would reduce bureaucratic duplication and save money, but any savings are offset by the fact that USIA's basic role—reaching foreign publics directly—often conflicts with the State Department's role in negotiating with foreign government officials.



AMBASSADOR OF THE
UNITED STATES OF AMERICA
ANKARA, TURKEY

May 28, 1996

Dear Joe:

I have just finished looking at the list of Turkish students who have been awarded Fulbright scholarships for 1996-1997. There are eleven of them: one is going to the Wharton School, another to Harvard, another to Stanford, another to the University of Chicago, another to Columbia, and the rest to Michigan, Illinois, and other excellent state universities. As the Honorary Chairman of the Fulbright Commission Board, I can't help but feel a sense of pride in this record of excellence.

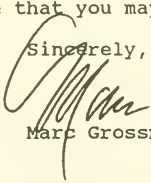
The Rectors of Turkey's leading universities are all former Fulbright grantees; so is the government head of the university system here in Turkey. Some day this year's Turkish Fulbright students will also occupy leading positions in Turkish education, business and government.

Mildred and I have worked with the Fulbright Commission this past year to help them raise \$120,000 from the private sector in Turkey, and the government of Turkey has again increased its contribution to the program. It seems, however, that the better we do on the private and Turkish government sides, the less funding we receive from USIA. Due to the fifteen percent cut the Turkish program suffered this year there will be three less Turkish students doing graduate work at America's best universities than there were in 1995.

This is a program that works. But it won't continue to work if it has to sustain more cuts. Although I am very much aware of the budget situation, I sincerely hope that the Turkish Fulbright Program will continue to receive the support it needs and deserves to remain successful.

Thank you for any assistance that you may be able to provide.

Sincerely,


Marc Grossman

Mr. Joseph Duffey
Director
United States Information Agency
301 4th Street, S.W.
Washington, D.C. 20547



EMBASSY OF THE
UNITED STATES OF AMERICA
MEXICO

OFFICE OF THE AMBASSADOR

June 18, 1996

Dr. Joseph Duffey
Director
United States Information Agency
301 4th Street, SW
Washington, D.C. 20547

Dear Joe:

As you know, I am a great fan of the Fulbright program here in Mexico, and I was delighted that you and Secretary of Education Limon pledged to maintain funding at current levels during the recent Binational Commission here.

Mexico and the U.S., it has often been said, know each other better and understand each other less than any other two countries. It is certainly true that sheer proximity and the weight of history have made each very aware of the other, but we do need to understand our neighbors better. The Fulbright program is one of the best ways for both the U.S. and Mexico to gain that sort of first-hand knowledge which is absolutely priceless. It has the added benefit of allowing participants to not only know the country but also to come back to their own countries with useful training which will be passed on.


During my time here in Mexico, I have been impressed with the number of outstanding Mexican political, business, academic, and cultural leaders who have benefited from the Fulbright program. I have also been delighted to meet some of the U.S. grantees who have made long and lasting personal and professional relationships here and continue to work with their Mexican counterparts.

The Government of Mexico has shown an impressive commitment to the Fulbright program. They are so convinced of its value that they have cut programming elsewhere in order to maintain funding for this exchange -- this in the face of a devastating devaluation. I am glad that we were able to show our appreciation by matching their splendid effort.

The Mexican Fulbright program is entering a new phase here with a new Director and a renewed commitment to involving the private sector. Both we and the Mexicans will reap the benefits of that new energy and even firmer resolve to maintain and expand this vital part of our Mission here in Mexico.

I know that you are supportive of Fulbright programs, and I hope that prevailing budgetary problems can be overcome so that the U.S.-Mexico Fulbright program can continue to receive the funding it needs to carry out its mandate. If there is anything that I can do to assist in the process, please let me know.

Sincerely,


James R. Jones
Ambassador

Joe, many thanks for this and for
all of your strong support for what we
are trying to do here.





Embassy of the United States of America

Warsaw, Poland

June 17, 1996

The Ambassador

The Honorable
Dr. Joseph Duffey
Director
United States Information Agency

Dear Dr. Duffey:

You'll be interested, I think, in an anecdote from a recent dinner in Warsaw. Across from me at the head table were the top three officials of the Polish government -- the Prime Minister, Foreign Minister and Finance Minister -- as well as the Mayor of Warsaw along with the visiting Secretary-General of NATO, Javier Solana. Knowing that the four Poles were all former Fulbrighters, I asked Secretary-General Solana whether by chance he too was a Fulbright graduate. His answer: "not by chance at all, I worked like hell for that scholarship!"

I pass on this story for several reasons. For one, I want you to know that, from my perspective as American envoy here, the Fulbright program is the best thing the United States does in this country. As I've frequently told my country team, Fulbright and other exchanges -- like those under the International Visitor Program -- have more long-term worth than anything else we do.

The four senior officials who met with Solana are among more than 1,000 Polish Fulbright alumni; others include rectors of the country's leading universities; high court judges; journalists and leaders in every field. For the work of this Mission, the value of having so many prominent Poles with the in-depth experience in the United States that a Fulbright grant means is beyond measure.

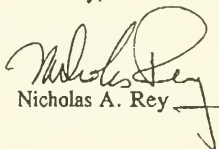
So this is a second reason I am writing you: to urge that funding for Fulbright here in Poland be maintained or preferably increased. Due to a cut of ten percent, or \$160,000, in this year's Fulbright budget for Poland, ten fewer students will be able to participate during the academic year starting this fall. This means quite simply that my successors are less likely to have encounters like mine with Secretary-General Solana and the Polish quartet. And that would be a great loss, not only for the potential participants, but also for our two countries.

-2-

Be assured that all of us -- the Commission, the Alumni Association and this embassy -- are energetically pursuing the possibility of funding from the private sector that has begun to emerge here in Poland during the past several years. I am confident that these efforts will bear fruit over time as the Polish economy continues its recent impressive growth and laws are adjusted to encourage private contributions.

For now, however, U.S. government support remains critical. I urge that you do everything possible to maintain or increase funding for Poland especially, but also for the Fulbright program more generally; my background is Wall Street, and I can tell you that no other investment would yield a better return on our precious dollars.

Sincerely,



Nicholas A. Rey

EMBASSY OF THE
UNITED STATES OF AMERICA

Brasília, D.F.
June 17, 1996

THE AMBASSADOR

Dr. Joseph Duffey
Director, United States Information Agency

Dear Dr. Duffey:

As Honorary President of the Fulbright Commission in Brazil, I very much appreciate the opportunity to comment on the importance of the Fulbright program here. I feel keenly that the sympathy for and understanding of the United States engendered through Fulbright grant programs for Brazilians plays a notable role in our bilateral relations -- both official and unofficial.

The prestige of the Fulbright program greatly exceeds its relative size. The President of Brazil, Fernando Henrique Cardoso, is our most distinguished alumnus. A sociologist of renown, he received a Fulbright 40th anniversary grant to lecture in the United States. First Lady Ruth Cardoso also was a Fulbright grantee, researching children's issues at Columbia University. Cabinet members, top-level educators, university presidents, artists and other leaders of Brazilian civil society are alumni of the Fulbright program.

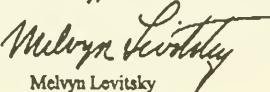
Since our Commission's founding in 1957 and until 1980, grants for Brazilians were mainly used for Master's or Doctoral degree programs. More recently, the Commission has concentrated on postdoctoral, doctoral research and other nondegree grants, to create a multiplier effect in Brazil's graduate schools, the best part of Brazil's educational system. We are emphasizing American student grants, also, because of the importance of young Americans' developing expertise on a global-economy player like Brazil. Until now, 2,148 Brazilians and 1,218 Americans have received grants here to participate in Fulbright exchange programs.

Fulbright's outstanding educational advising facilities (working from 17 centers in 15 cities) counsel 54,000 young Brazilians every year, and play no small role in informing the 5,000-plus Brazilians currently at American universities -- "knowing America" and contributing to the U.S. economy.

I am concerned that, in this era of tight budgets, the valuable Fulbright program may suffer constraints in important countries like Brazil. Although the main funding source for the Fulbright programs in Brazil has been the U.S. Government, official Brazilian scholarship agencies also have been co-funding grants at a significant level. In a breakthrough, the Brazilian agencies have just increased their funding for Fulbright programs -- from \$400,000 to \$1,339,450 annually, which is a little more than the current USG contribution for grants. It would be embarrassing for us to reduce our contribution when our partners are showing such good faith, and enthusiasm, for our exchange programs.

I thank you for USIA's support in assuring an adequately funded Fulbright program in Brazil.

Sincerely,


Melvyn Levitsky



United States Department of State

Assistant Secretary of State
Bureau of Inter-American Affairs

Washington, D.C. 20520-6258

June 17, 1996

Dr. Joseph Duffey
Director
United States Information Agency
Washington, D.C. 20547

Dear Director Duffey: ~~Joe~~

On May 15, about the same time I left Caracas to take up my new position as Acting Assistant Secretary for Inter-American Affairs, we celebrated in Venezuela the 50th Anniversary of the Fulbright Program. Our embassy - led by USIS - in conjunction with the Ministry of Foreign Affairs in Venezuela, sponsored a ceremony and gala concert to mark the anniversary. Several hundred ex-Fulbrighters and leaders of the Venezuelan political, business, academic, and cultural community attended this event. Foreign Minister Miguel Angel Burelli Rivas spoke for the Venezuelan Government, applauding the work of the Fulbright program and its positive impact on Venezuela's economic and political development.

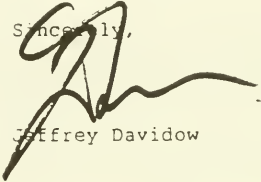
At present, two cabinet ministers, a Central Bank director, two university rectors, a supreme court justice, and many other distinguished Venezuelans can proudly claim to be former Fulbrighters. The name Fulbright is synonymous with academic and professional excellence.

To mark the Fulbright 50th Anniversary, USIS Caracas, under the leadership of PAO Peter deShazo, developed a special "Anniversary Scholarship Program" with the goal of raising ten additional grants from the local private sector to enable outstanding young Venezuelans to obtain masters degrees at U.S. universities. I gave this effort my enthusiastic support and together we raised, from private sector donations and matching tuition waivers in the United States, a total of \$650,000, enough to fund eleven scholarships for the 1996-98 academic years. Our "50th Anniversary Scholars" will be attending Georgia Tech, Dartmouth, Ohio State, Purdue, and George Washington among other outstanding universities. This program has been an extraordinary success.

The prestige and importance of the Fulbright Program in Venezuela is a key element in our bilateral relations. We fear, however, that our almost unprecedented effort in raising funds for Fulbright and in strengthening our program could be undercut by future budgetary restrictions. At this important moment in our relations with Venezuela, I urge that the Venezuela Fulbright program remain funded at the highest possible levels.

Thank you for any help that you can provide.

Sincerely,



Jeffrey Davidow

EMBASSY OF THE UNITED STATES OF AMERICA

PARIS

June 20, 1996

THE AMBASSADOR

Dear Joe:

I would like to share with you some of my thoughts about the importance of the Fulbright program in France and worldwide. Throughout my tenure here, I have been struck by the importance of Fulbright exchanges. This is a time when our Western European allies must not be taken for granted. Intellectual exchanges and personal and institutional links between French and Americans do make an important difference in supporting American policies and interests around the globe.

Here in France, as throughout Western Europe, the joint funding of Fulbright exchanges is an ongoing testimonial to the value of international educational relations. But our Commission is not just an office which administers Fulbright grants. It is widely recognized as the focal point of the entire complex of academic exchanges between the United States and France, and is directly involved in the selection of deserving young scholars who receive grants under a variety of other programs.

The record of the Fulbright program in identifying potential leaders over the past years makes us proud. At this time over 300 French alumni are listed in the French "Who's Who." They include university officials and professors, bankers, journalists, CEOs of major companies, political figures and leaders in the arts and sciences. Our teacher exchanges are obvious examples of understanding to be reaped from teacher swaps which bring hundreds of students each year into daily classroom contact with an American or French educator for whom cross-cultural understanding is high on the agenda.

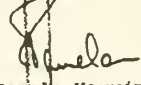
Does it make a difference that a member of the French parliament who is a specialist in defense and strategic affairs and former advisor to the President of France was--thanks to the Fulbright Commission--the recipient of a prestigious American university scholarship? Or that the President-Director General of a major regional newspaper or the CEO of major companies such as Electricity of France and Renault are former Fulbrighters? Or that the President of the National Library of France and the Director of Studies of one of France's prestigious *grandes écoles* studied in the United States thanks to Fulbright grants? Or for that matter that their American counterparts might have studied in France?

I maintain that it does. That key figures in the French public and private sectors have a first-hand knowledge of America and have American-formed expertise in academic disciplines cannot but imply a clearer understanding of our policies and people. This does not signify unqualified approval and agreement for all things American (or in the case of American grantees for all things French). What it does mean is judgments based on personally acquired information and experience, rather than second-hand stereotypes. More often than not, it means judgments influenced by the esteem and affection most returned grantees harbor for their host countries.

In the past year the Fulbright program in France has already suffered a significant budget cut. I am very concerned that additional cuts will call into question the survival of our Commission. I hope that you will do everything possible to protect this program which is so vital to international understanding and our national interests. The Fulbright program

celebrates its fiftieth anniversary this year. It is a time to recognize the enormous impact which the late Senator has had on international understanding, and to assure that the Fulbright tradition will continue and flourish.

Sincerely,



Pamela Harriman

The Honorable
Joseph D. Duffey
Director
U.S. Information Agency
301 Fourth Street, S.W.
Washington, D.C. 20547



EMBASSY OF THE
UNITED STATES OF AMERICA
PRAGUE

OFFICE OF THE AMBASSADOR
June 19, 1996

Dr. Joseph Duffay
Director
United States Information Agency
301 4th St. S.W.
Washington, D.C. 20547

Dear Joe:

I am glad to have the opportunity to tell you how important the Fulbright Program is here in the Czech Republic. Not only is it a key contributor to the consolidation and deepening of democracy, it is also an effective resource for educational reform.

Because the free selection of candidates has only been possible since the Velvet Revolution in 1989, we can't claim Fulbright alumni in high places yet, but they will soon occupy leading positions in education, business and government. The high quality of the applicants makes for stiff competition and results in acceptance at the best American universities. This year's Fulbrighters are teaching and studying at Harvard, Yale, Princeton, Stanford, Penn, Cornell and Northwestern, among others.

Fulbright grants directly reflect the priorities of the Embassy's Mission Program Plan. Americans coming to the Czech Republic teach subjects that contribute to the deepening of democracy—political science, law, economics, history. I believe that their way of teaching is every bit as important as the hard knowledge they impart. American studies, an area of neglect and distortion during the communist period, is also a strong emphasis.

-2-

I know that this program, like all of our programs, is under particular scrutiny in this era of tight budgets. Still, with the slow pace of educational reform here and the shortage of funds for exchanges, this country--and indeed the entire region--merits special consideration. The importance the Czech government attaches to the Fulbright program is evident in the Ministry of Education's recent decision to double its previous annual contribution to about 20% of the U.S. support. A further increase is promised next year. This represents a strong commitment to a healthy and vibrant program, particularly in light of the many pressures on the country's education budget as it strives to undo the damage of decades of communist rule. Fundraising from the private sector will take some time to develop in this young market economy, though the Fulbright Commission has already made some promising first steps.

The Fulbright program is among the most valuable of our activities in the Czech Republic. A strong Fulbright program is in the interest of the United States, and I hope that the Commission in the Czech Republic will continue to enjoy undiminished financial support from the American side.

If there is any further information I can provide, please let me know.

Sincerely,

Jenonne Walker
Ambassador



United States Department of State

*United States Permanent Mission to the
Organization of American States*

Washington, D.C. 20520

June 20, 1996

Mr. Joseph D. Duffey
Director
United States Information Agency
301 - 4th St. S.W.
Washington, D.C. 20547

Dear Joe:

Once again, I want to express my appreciation for the fine support your agency provided to Deputy Secretary Talbott, Mack McLarty, and to me and the U.S. Mission to the OAS at the recent OAS General Assembly in Panama. Not only did the scheduled speeches and press conferences go off without a hitch, but when an unexpected resolution condemning the Helms-Burton legislation was suddenly approved, USIS quickly set up another press conference and saw to it that my remarks both at the General Assembly and to the press were promptly and widely disseminated. In sum, USIA did an excellent job in handling all public diplomacy aspects.

My particular thanks go to IO Benjamin Ziff, who provided our first look at the text of the draft resolution, thanks to his press contacts. Ben spent hours at the meetings and in our delegation office ensuring that speeches and transcriptions were available promptly in both Spanish and English. PAO Joe Johnson, as acting DCM, coordinated the entire operation. CAO Amy Bliss was invaluable when pressed into service as a last-minute control officer when two high profile public members were added to our delegation. USIA had thoughtfully sent Susan Clyde on TDY to help out, and of course all were superbly assisted by the FSN staff. Here in Washington, Andrew Llubes and his colleagues on the Wireless File were key to getting our message out to the hemisphere, especially when the commercial wire services were concentrating on the anti-U.S. aspects of the resolution on Helms-Burton.

Please pass on my thanks for an excellent job to your entire staff in Panama and to their colleagues elsewhere who collaborated in this operation.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Babbitt", written over a horizontal line.

Harriet C. Babbitt
Ambassador

cc: USIA/AR: Steve Chaplin

Embassy of the United States of America

Addis Ababa

June 18, 1996



The Honorable Joseph Duffey
 Director
 United States Information Agency
 301 4th Street, S.W.
 Washington, D.C. 20547

Dear Dr. Duffey:

As I prepare to complete my tour in Addis Ababa, I would like to share my views on the importance of the Fulbright exchange program to the Embassy's mission in Ethiopia.

I know that you are familiar with Ethiopia's recent history and its emergence from long years of murderous, authoritarian rule. As Ethiopia's leaders try to chart the country's course into the next century, they can well use the insights and experiences of Ethiopian and American scholars. During this academic year, the Fulbright program in Ethiopia has sponsored, among several U.S. and Ethiopian researchers, two individuals who, we believe, have made and will make significant contributions to policy developments that in turn support U.S. goals here.

The research conducted in Ethiopia, Kenya and Uganda by Princeton Professor John Waterbury, a leading political economist focusing on hydro politics in the Nile Basin, should lay the groundwork for vitally important negotiations on Nile water use among ten countries in the region. Dr. Waterbury's presentations and consultations on changing regional dynamics were received by the highest levels of governmental policy makers in Ethiopia, Uganda and, through a special speaker program, Eritrea. We expect that this Fulbrighter's research findings will be central to the creation of Ethiopian policy and an upcoming international conference on water development. I do not have to remind you that most of the Nile Basin countries comprise the Greater Horn of Africa and the Great Lakes regional groupings--focal points for U.S. development and conflict management policies.

Ethiopian Senior Scholar and Chairman of the Department of Community Health at Gonder Medical Sciences College, Dr. Melakeberhan Dagnew, has recently returned from a five-month research program at Harvard University's Center for Population and Development Studies. As a result of his examination of clinics in the Boston area, Dr. Melakeberhan is convinced that the private sector and NGOs must be involved in health care in Ethiopia. The scholar plans to use every opportunity, in his role as advisor to regional and federal ministries of health, to promote policies encouraging the involvement of the private sector in the provision of health care services to the Ethiopian people.

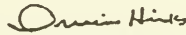
Through these two instances, the continued vitality and significance of the Fulbright program are amply demonstrated. As a Chief of Mission, I am grateful to the program for its

-2-

considerable support for our encouragement of regional cooperation and the development of the Ethiopian private sector.

I hasten to add that through its substantial contribution of housing and administrative support to U.S. Fulbrighters and round-trip air travel for Ethiopian scholars and graduate students, the Ethiopian government is also demonstrating its commitment to the Fulbright exchange program. I trust that the U.S. Government, on the other hand, will not lessen its support for this centerpiece of U.S. exchange programs, which serves us all.

Sincerely,


Irvin Hicks
Ambassador



EMBASSY OF THE
UNITED STATES OF AMERICA
MADRID

June 18, 1996

THE AMBASSADOR

Dr. Joseph Duffey
Director
USIA
301 4th St., SW
Washington DC 20547

Dear Joe,

I read with great interest your address to the Worldwide Meeting of Fulbright Commission Executive Directors. Thank you for recognizing my efforts to raise private-sector money for Spanish students. Spanish and American banks and businesses now sponsor twenty-four fellowships in a program that I began and another eight in programs that predate mine, annual contributions to our Fulbright budget of \$1.1 million and \$350,000 respectively. This \$1.45 million total significantly exceeds U.S. Government funding.

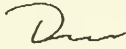
I wholeheartedly agree with you that the long-term strategy for the Fulbright program must be built around providing exchange opportunities to the world's future business, government and academic leaders. These opportunities -- which bring people together "across the last three feet" that Edward R. Murrow correctly emphasized -- are no less important now than when Bill Fulbright launched the program fifty years ago.

As you know, one of our most distinguished Spanish Fulbrighters is NATO Secretary General Javier Solana. Just before he moved on to NATO, he spoke at a conference on Spanish-American political and economic ties that we organized in Seville. He moved through the crowd of American and Spanish business and political leaders -- several of them Fulbright alumni -- completely at ease among the two groups, as effective in crossing the last three feet with Congressman Bill Richardson as with the president of a major Spanish oil company.

The same holds for the way he approaches the issues. As Foreign Minister, Javier Solana was someone with whom we could find common ground, whether it be European security architecture, the Middle East, or Latin America. Though we differed on some of the details of our respective interests in these areas, we recognized that fundamentally our interests converge. This is what the Fulbright experience provides. Javier Solana told me several times how much the program meant to him personally and to his generation of student leaders, who labored under the isolation imposed by the Franco regime. I'm convinced that it's no less valuable to Spain's current and future leaders.

The new Aznar Government boasts a significant Fulbright representation three Assistant Secretaries, an Undersecretary, and a staff assistant to the President, all of them in the area of trade and investment. This will assist us in pursuing trade objectives, which rank near the top of our list of bilateral issues.

With warmest regards,



Richard N. Gardner

Embassy of the United States of America

Moscow, Russia



Dr. Joseph Duffey
Director
U.S. Information Agency
301 4th Street, S.W.
Washington, D.C. 20547

Dear Joe:

Thank you very much for asking my views on the Fulbright Program. I am pleased to comment as I know of no single activity more important right now than exchange programs like Fulbright.

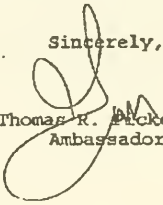
We must do all we can to give Russia's future leaders an opportunity to know our country, to study and conduct research at our fine universities, and to get a sense of the strength and resilience of a democratic society. No matter what course Russia takes in the coming years, the Fulbright Program will be an investment in our bilateral relationship.

Through Fulbright, the U.S. Government sends highly competent scholars to America to work in fields that are key to Russia's democratic and economic development. In recent years, promising Russian scholars in the fields of business, economics, law and public policy participated in comprehensive U.S. programs. Since the break-up of the Soviet Union, prominent American scholars have come to Russia to teach at major Russian universities in fields that either were prohibited or suffered from massive ideological distortions under Communism.

Fulbright alumni not only figure among heads of departments of major universities but also hold key positions in the media and government. Recently, Russian Fulbrighters formed an alumni association that promotes activities on such critical issues as the role of scholars in developing a civil society.

My own experience as a Fulbright exchangee in Australia in 1956 had a positive influence on my understanding of the world and my own ability to play a role in promoting international understanding. I feel strongly that Russians who are emerging leaders in their fields, should have a similar opportunity, and we and Russia would benefit immensely by their having been Fulbrighters.

Sincerely,


Thomas R. Pickering
Ambassador

EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

June 18, 1996

Dear Joe:

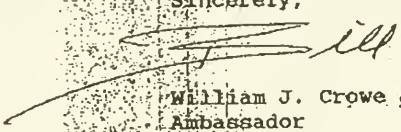
In this 50th anniversary year it is time to take stock of the Fulbright program here. Among the many scholars crossing the Atlantic next fall will be the new Distinguished Fulbright Fellow for Queens University in Belfast. President Clinton announced this position last November when he made his historic visit to Northern Ireland. The Fellow will be a medical sociologist from Brandeis University, and his presence in Belfast will be evidence of the United States' commitment to a peaceful settlement through educational excellence.

Another high impact element of the program is the Fulbright Teacher Exchange. This past year we had six Americans teaching at secondary schools throughout Northern Ireland. Their impact on their young students, fellow teachers and even the parents has been impressive. I recall one school in a conservative Protestant community that had been quite skeptical of the President's and the US' motives in pushing the peace process. They reluctantly accepted an American teacher and in the ensuing 12 months have come to better understand that ours is an even-handed approach to a sensitive issue. My staff told me of visiting the school and observing the students and teacher enthusiastically rehearsing a pageant totally dedicated to American themes.

Budget cuts are a fact of life, but the Commission has not let somebody else deal its hand; it has aggressively sought out those public spirited corporations with an interest in supporting international educational exchanges. With the help of an advisory board of British and American business, media, and cultural leaders, it raised this year alone over \$500,000 for new scholarships. (Others are in the pipeline and may be announced by the time you get this letter.) The Commission also secured the commitment of Microsoft's Bill Gates as the speaker at the 50th anniversary fund raising dinner in November which should, in turn, generate even more interest in the program.

The Fulbright program makes a difference. We could cite the many academicians, government leaders, journalists and cultural leaders who have benefitted from the program in the past. But in the United Kingdom we are looking ahead--to Fulbright's continued impact on Northern Ireland and to its fostering of new British and American business leaders. As Ambassador, I attach importance to my work as honorary chairman of the US-UK Fulbright Commission. 1996 has been a great year for the program; we hope 1997 will be even better.

Sincerely,



William J. Crowe Jr.
Ambassador



Embassy of the United States of America

Szabadsag ter 12, 1054 Budapest
June 19, 1996

Dr. Joseph Duffey
Director
United States Information Agency
301 4th Street, S.W.
Washington, D.C. 20547

Dear Joe:

Hungary and the U.S. began exchanging Fulbrighters under your stewardship at State/CU. Only ten years later did the number of exchanges really begin to grow. We reached peak figures just as the newly established Commission began to make a name for itself in 1994/5. The last two years have witnessed a serious decline in the length of stay for exchangees just as the Hungarian academic and communities and the Ministry of Culture and Education have truly begun to appreciate the contribution of Fulbright scholars to Hungary. In 1995, more U.S. Fulbright applicants designated Hungary as their first choice than any country except Germany and the native English-speaking countries the world.

You know of my long association with the academic community at SUNY and with IIE. I have been especially proud of my role as the Fulbright Commission Board Honorary Chairman. I see Fulbright as one of the flagship programs of this entire mission. Because I believe in the ideals and academic excellence represented by this great undertaking, I have lent my full support to reaching out to the private sector for fund raising. We have received contributions of \$30,000 and \$15,000 from the Hungarian Oil and Phone Companies, respectively, for this summer's fiftieth Fulbright anniversary conference. Master Foods has also provided a generous contribution. We believe that the Budapest celebration will be the largest such event outside the U.S.

PAO Peter Becskehazy and Commission Director Huba Bruckner have expanded their contacts with American Chamber of Commerce members and Hungarian business leaders. Their goal is to raise scholarship monies for the 1997/8 academic year. This activity will only begin to replace the close to \$400,000 we have lost over the past two fiscal years. Further cuts will gut the program.

I appreciate your full backing for the Fulbright program. It's at the heart of the relationship between our two nations.

Sincerely,

Donald Blinken
Ambassador

Ambassador of the United States of America

Pretoria

21 June 1996

Dr. Joseph Duffey
Director
United States Information Agency

Dear Director Duffey:

I am pleased to respond to your request for information on my views of the Fulbright academic and professional exchange program. Earlier this week I met with Minister of Education Bengu to receive the report of the Joint Working Group on a Fulbright Commission, which is part of the U.S. - South Africa Bi-National Commission. The JWG report strongly recommends that a commission be established in South Africa, which is an important reflection of the esteem in which the program is held by both the government officials and private citizens who worked on that committee.

Moreover the recommendation to establish a commission was received warmly by Minister Bengu, who is the former president of the University of Ft. Hare, one of South Africa's most famous historically Black universities. Minister Bengu, like many South Africans, recognizes the significant role that the Fulbright program played during the decades of apartheid in sending significant numbers of South African students to the United States for academic training. Many of these former students are now playing key roles within the new South African democracy. Just to cite a few examples, Dr. Khotso Mokohele, a graduate of the University of California at Davis, is now the director of the Foundation for Research Development, one of the nation's premier research organizations and Wally Serote, a Master of Fine Arts graduate of Columbia University, is chair of the Parliamentary Committee on Culture and of course is an internationally recognized poet and novelist.

In this current phase of post-election nation-building, South Africa is looking to many countries to assist in their urgent need for human resource development. As you know education and training for the majority population was seriously impaired during the decades of apartheid. Although many South Africans earned degrees and gained experience abroad during those years, much work still remains to be done. South Africa's enthusiastic response to the proposal to establish a Fulbright Commission is an indication of their continued commitment to providing education opportunities for their citizens in the United States. As the world's foremost democracy and an educationally rich nation, through the Fulbright program the U.S. can provide unparalleled opportunities to build human understanding between our two countries, which have a lot in common, but yet are dissimilar in significant ways. We can learn from each other and the Fulbright program is by far the best mechanism for doing so. With the creation of a commission, we enjoy the real and very exciting prospect of expanding the program by raising additional monies from both U.S. and South African businesses and foundations.

I thank you for this opportunity to express my support for the Fulbright program and I look forward to working with you on the establishment of the U.S. - South Africa Fulbright Commission during the 50th anniversary year.

Sincerely, .

James Joseph

50TH ANNIVERSARY

The Grand Vision of the Fulbright Program

By Walter Mondale

SINCE becoming ambassador to Japan three years ago, I have directly experienced the enormous benefits of people-to-people exchange. It is a process I now consider one of the vital tools of American international policy. My experience in Japan has elevated me from just a believer in international exchange to a true believer.

The Fulbright Program, which turns 50 this year, is the flagship of scholarly exchange programs. Its universal renown attests to its extraordinary long-term impact on international relations.

Congress established the program in 1946 "to increase mutual understanding between the people of the United States and the people of other countries." My friend J. William Fulbright (D) of Arkansas, a strong-willed senator of rare vision, introduced the legislation two weeks after the nuclear age blasted its imprint on history at Hiroshima. At the time he called it "a modest program with an immodest aim."

Over the past several years, we have taken special note of many 50th anniversaries, often in a spirit of somber commemoration: the attack on Pearl Harbor, the Battle of Iwo Jima, the Battle of Okinawa, and the atomic bombings of Hiroshima and Nagasaki. The first half of the 20th century was littered by two world wars, and as the curtain rose on the second half, a war-weary US went to battle once again in Asia while the world drew itself into two armed camps.

Appalled by war's tragic human cost, Bill Fulbright's "immodest aim" was no less than "the humanizing of international relations ... to the point that men can learn to live in peace - eventually even to cooperate in constructive activities rather than compete in a mindless contest of mutual destruction...." During this 50th-anniversary year of Fulbright's program, as we celebrate the global reach of his vision, we properly hail his "immodest" achievement.

In its early years in Japan, the program focused on bringing outstanding students of the postwar generation of

young Japanese to experience US social institutions and democracy. The results are found everywhere: United Nations Undersecretary-General Yasushi Akashi was a Fulbrighter. So were seven current members of the Diet, the presidents of two of Japan's largest banks, and more than 5,000 others who have carried their experience of American life back to Japanese colleges, government offices, businesses, and civic organizations.

The US and Japan reap great benefits from our harmonious bilateral relations, and we share a common stake in global security and stability. Our relationship is solid. But our societies are so profoundly different in so many basic areas that it requires great effort for us to understand each other.

Practically everyone in Japan knows about the Fulbright Program and what it has meant to this country. The results are found everywhere.

As in so many endeavors, those who acquire the tools early achieve the most success. The history professor from Kyushu University who as a young scholar spent a year in Columbus, Ohio, teaches his students with deeper insights than one who has not had that experience. The recent New York University graduate living for a year with a family near Osaka will return to New York to pursue a law career that will take a much different direction than had she never experienced Japan. Such seemingly commonplace events, multiplied many times over, bring extraordinary benefits to our relations.

The Fulbright Program is enormously popular in Japan. When Senator Fulbright died last year, hundreds of former Fulbrighters gathered for an elegant memorial service, and virtually every newspaper ran an appreciative story lauding the educational and cultural benefits bestowed on so many Japanese.

In recent years, the proportion of American Fulbrighters relative to that of Japanese has grown considerably; so has the Japanese financial contribution. The Japanese government now funds the bilateral program at approximately twice the level of the US. And Japanese alumni continue to make a generous annual donation, which is devoted to bringing recent US college graduates to Japan.

There are many ways to study abroad, but the Fulbright Program stands alone. Practically everyone in Japan knows about it, and what it has meant to this country. Its marvelous reputation has been earned not simply by the scholastic achievements of its outstanding participants, but also because Fulbrighters see themselves as students, lecturers, or researchers abroad who are part of a noble, larger purpose.

Fulbright once said, "Man's struggle to be rational about himself, about his relationship to his own society and the other peoples and nations involves a constant search for understanding among all peoples and cultures - a search that can only be effective when learning is pursued on a worldwide basis."

Some say that the cold war's end has drained the urgency from international exchanges. It's simply not so. The need to educate citizens who have international experience and who can communicate and establish relationships across borders is more compelling than ever.

In the US, we have entered what US Information Agency director Joseph Duffey calls "an era of frugal diplomacy." Our government must consider with care the cost-effectiveness of what it does. Judged by that standard, there are few programs that serve our long-term international-relations goals as fully and effectively - yet as inexpensively - as the Fulbright Program.

As Americans with a stake in our relations with the rest of the world, and particularly with Japan, we will be well served if our political leaders continue their support of Bill Fulbright's vision.

■ Former Vice President Walter Mondale is the US ambassador to Japan.

130 Red Gate Lane
Amherst, MA 01002
June 22, 1996

Dr. Joseph Duffey, Director
United States Information Agency
Washington, D.C.

Dear Joe:

Aware that you will soon be appearing on the Hill to talk about exchange programs, I wanted to urge you to do whatever you can to support the Argentine Fulbright Program, which has played such an important role in promoting close relations between Argentina and the United States.

As you may know, I was the principal speaker at the Argentine celebration of the 50th anniversary of the creation of the Fulbright exchange program and the 40th anniversary of Argentine participation in the Program. My talk at the Argentine Council for Foreign Relations, which, I am happy to say, was well received by an overflow audience that included a dozen former Argentine ambassadors, stressed the improvement that has taken place in our bilateral relations and the role that the Fulbright Program has played in promoting that improvement.

The fact that many leading figures in today's Argentina have a positive attitude toward the United States is in no small degree related to their experiences in this country as Fulbright grantees. Among them are businessmen like José Barbero, chief executive of Metrovias, the recently privatized Buenos subway system; Manuel Mora y Araujo, head of a major public opinion polling firm; José Dagnino Pastore, former Economy Minister; Pedro David, member of the Administrative Appeals Court; Carlos Floria, newly designated ambassador to UNESCO, as well as numerous engineers, doctors, economists, academicians etc. If my figures are correct, over 1350 Argentines have benefited from a Fulbright experience in the last 40 years. The counterpart to this has been the opportunity for Americans to teach or do research in Argentina with the help of a Fulbright grant, and thus be in a position to present a face of America that is more realistic than the images usually portrayed by the cinema or television.

The Fulbright Program has been a great success insofar as fostering closer relations with Argentina is concerned, and it seems to me that maintaining it at current levels would be the best guarantee that our two peoples will continue to view each other in amity and with respect.

Sincerely yours,



Robert A. Potash
Haring Professor of History Emeritus
University of Massachusetts at Amherst

Embassy of the United States of America

June 19, 1996

Dr. Joseph D. Duffey
Director
United States Information Agency
301 4th Street, SW
Washington, D.C. 20547

Dear Joe:

As we discussed during your visit to Buenos Aires in February, I believe that the Fulbright Program is one of the most effective tools we have by which to increase understanding of U.S. society and values and advance our foreign policy goals and formidable economic interests in Argentina.

Let me give you just one example. To commemorate the 50th anniversary of the Fulbright Program, the Commission and USIS have organized a series of lectures by distinguished Fulbright grantees at the Argentine Council on International Relations. Last evening, the guest speaker happened to be a former Minister of the Economy who spoke persuasively of the benefits of free markets, economic liberalization, and trade integration. I have no doubt that the world view of this renowned economist was shaped by his experiences as a young Fulbright exchange student at the University of California.

For each of the last three years, the Government of Argentina has made a grant of \$200,000 to the Fulbright Commission. We have also mobilized support from local foundations and universities, enabling the Commission to increase the number of scholarships awarded by 60 percent between 1994 and 1996. In this anniversary year, I am asking the major U.S. companies operating here to consider underwriting special Fulbright scholarships for outstanding Argentine students who will be tomorrow's leaders in business, government, and education. One company (ESSO) has already done so.

The credibility and success of these fundraising efforts with the private sector depends on continued funding at current levels by Congress. While I recognize that the budget situation is difficult for all agencies, the fact is that the Fulbright Program is an integral and irreplaceable part of our bilateral relations with Argentina. It would be a shame to back track now. I urge you to do everything possible to ensure that this program continues to receive the support in Washington which it needs to be an effective force in American diplomacy.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jim", written over the printed name "James R. Cheek".

James R. Cheek

Embassy of the United States of America

USA

9602148-SLH

Bonn, June 20, 1996

Mr. Joseph H. Duffey
 Director
 United States Information Agency
 301 4th Street
 Washington, D.C. 20547

Dear Dr. Duffey:

I appreciate the opportunity to share my thoughts with you on how the German-American Fulbright program strengthens the German-American bilateral relationship.

Since its creation, the Fulbright Commission here has granted scholarships to 25,000 young scholars and emerging leaders from both countries. Germany's support for the program is solid; it funds 64% of the program's budget. As President Herzog said on the occasion of the Fulbright Program's 50th anniversary, 'Fulbright Programs have an unmistakable political dimension. They are not merely organized events for the intellectual advancement of individual students and scholars but are part of the substance of our foreign policy...a policy aimed at understanding, which in our day and age is more important than ever.'

The Fulbright Commission here is, as you know, a pace-setter. With German unification, the Commission moved quickly to incorporate the former East Germany into its program. Over the last 5 years it has emphasized exchanges with the east, providing professors, teaching assistants, and researchers to a region that was cut off from democracy and free inquiry for 60 years, dating back to Hitler's assumption of power. In 1995-96, alone, one-third of all U.S. grantees were placed in the new German states, and one fifth of all German students selected came from the east. Fulbright's unimpeachable integrity, prestige and flexibility have been vital to the process of transforming and westernizing dozens of east German institutions of higher education.

One recent success was the creation of the Center for the Study of the United States in conjunction with the University of Halle. Fulbright professors were critical to establishing and implementing the curriculum for this new regional institution, which is supported by the state of Sachsen/Anhalt and a private German foundation. It receives no USG funding, but could not have been created without Fulbrighters on the ground at the beginning.

In addition to the east, the Fulbright Commission is pioneering new relationships with the private sector. Last year it inaugurated a new business internship program (at business' expense) for American Fulbrighters who have completed their academic work. 15 participated, gaining broader insight into the German economy and society and forging links which we hope will last them a lifetime.

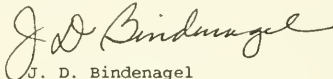
- 2 -

This year the Commission joined forces with 10 of the largest corporations involved in U.S.-German trade (Deutsche Telekom, Goldman Sachs, Siemens, Dow etc.) to create a private foundation to support the Fulbright here with financial contributions. 250,000 DM were pledged on the first fund-raising round.

As you can see, many sources, German and private, provide substantial leverage for U.S. taxpayer contribution to this remarkable program. And the Fulbright Commission here works hard to build understanding for the future. German Fulbrighters are deliberately dispersed all over the U.S., not concentrated in traditional centers for international exchanges. And German and American scholars are invited to use the program to take on difficult, timely questions. This week we inaugurate a major seminar for American scholars on the subject of "Jewish Studies in Germany Today." Next fall the Commission plans a special seminar on the topic of "School-to-Work: Learning from the U.S. and German Experiences."

I consider the Fulbright program in Germany to be essential, not discretionary. It provides unparalleled depth of contact and understanding, and it enjoys extraordinary support for the German government and private sector. I know that you face tough times on the budget front, but I hope these observations help you build persuasive arguments for continued Congressional support.

Sincerely,



J. D. Bindenagel
Charge d'Affaires ad interim



Embassy of the United States of America
Accra, Ghana

June 20, 1996

Mr. Joseph Duffey
Director
United States Information Agency
301 4th Street, S.W.
Washington, D.C. 20547

Dear Director Duffy:

Academic exchange programs occupy a sort of special place in Ghana; Kwame Nkrumah was one of a generation of African pioneers who made their way to U.S. campuses before we had formalized and blessed such programs with the Fulbright title. Wandering around Ghana, whether in the halls of Government or the nascent stock exchange, I am always struck by the dramatic affect that these academic bonds have had on Ghana.

Ghana's economic reform program has drawn plaudits from the international donor community for a few years. This is usually couched in terms of policy reforms, but the bright spots are really the smaller enterprises that have sprung up to take advantage of these reforms. The vast majority of these enterprises - systems analysis, financial services, specialized services - have been started by Ghanaians returned from their studies in the U.S. And, on the other side, a high quality chocolate factory coming on line is the product of an American exchange student's dream when he first came to Ghana 15 years ago.

There's no doubt about it: the Fulbright Program, the flagship of the academic exchange programs, has laid the foundations for a very different Ghana. I come across the fruits of the Fulbright program constantly; its alumni fill the highest ranks of the academic community, government and business.

The Fulbright Program forms such a crucial part of Ghana's intellectual capital that I can scarcely imagine a Ghana without it. "Keep up the good work" sounds, in these circumstances, sort of pallid. But don't let it go - the Fulbright Program is one of the cornerstones of modern Ghana.

Sincerely,

Edward Brynn
Edward Brynn
Ambassador

Windhoek

21 June 1996

Mr. Joseph Duffey
Director
United States Information Agency
301 4th Street, S.W.
Washington, D.C. 20547

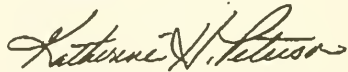
Dear Mr. Duffey:

Namibia is one of Africa's newest democracies, and it is the primary goal of this mission to assist with Namibia's efforts to further democracy, strengthen democratic institutions, and build a civil society. Education is the key to succeeding with this goal, and the Fulbright program has been a significant element in our overall mission efforts to focus on improving the educational opportunities for all Namibians, which were severely limited by many years of apartheid.

In the six years since Namibia gained independence, the Fulbright program has provided nearly forty Americans as professors, researchers and advisors to the newly created University of Namibia (UNAM) in the important areas of computer sciences, law, business administration, political science, education, statistics, history, nursing, management/economics, physics, mathematics, linguistics, anthropology, and archaeology. Fourteen Namibians have or are pursuing studies at various universities in the United States in the disciplines of education, law, communications, fisheries and marine resources, anthropology, international trade, and economics.

The Fulbright program's contribution to building Namibia's democracy cannot be underestimated. It is a perfect example of the fact that a modest investment can go a very long way in this country of 1.6 million people. Significant reduction or loss of the program would clearly have a detrimental effect on the Embassy's ability to promote the U.S. Government's interests in one of the few democratic success stories in Africa.

Katherine H. Peterson



Charge d'Affaires

2

**Statement of
The Alliance for International Educational
and
Cultural Exchange**

**House Committee on International Relations
Subcommittee on International Operations and
Human Rights**

June 25, 1996

The Alliance for International Educational and Cultural Exchange appreciates the opportunity to submit testimony to the Subcommittee in support of educational and cultural exchange programs administered by the United States Information Agency (USIA).

The Alliance is a coalition of 62 non-governmental, nonprofit organizations which conduct a wide variety of academic, citizen, and youth exchange programs. A list of Alliance member organizations is appended to this testimony. Some of our members receive USIA funding for programs; others conduct privately funded programs that receive no financial support from the federal government. These latter programs rely on the J Visa Exchange Visitor Program, administered by USIA's Office of the General Counsel, and thus have an important regulatory relationship with the Agency.

The Cold War has left in its wake dozens of smaller civil, ethnic, and religious conflicts, and an increased number of nuclear-armed states. In this complex, dangerous new international environment, exchange and training programs remain among our nation's most cost-effective tools to advance our national interests. Programs administered by Alliance member organizations with support from USIA promote democratic reforms, market economies, and a free press, and encourage international cooperation on critical environmental and public health issues.

With emerging democracies and long-term allies alike, exchange programs provide informal, effective platforms for the person-to-person exchanges of ideas that lead to genuine cooperation on matters of important mutual interest. An official in the German chancellor's office recently told a GAO investigative team that the face-to-face interactions engendered by exchange programs "are the foundation of the bilateral relationship. If NATO is not backed by broad-based people-to-people contacts, it will not be able to prevent the two sides of the Atlantic from drifting away from each other."

Concrete examples of how federally supported exchange programs support long-term American policy interests abound:

- The vice president of Bosnia's Social Action Party and the country's former acting prime minister is a leading force for tolerance and political pluralism in a country that has been ravaged by sectarian warfare. His political views were shaped during a high school exchange experience in the United States. He recently told an American youth exchange organization: "I am your product."

- Leading officials of Egypt's Supreme Constitutional Court recently visited the U.S. to study the American justice system. The visit, intended to establish a permanent U.S. training program for Egyptian jurists, had a direct effect on Egyptian Supreme Court decisions on "one person, one vote" and several human rights issues.

- An El Salvadoran Fulbright grantee in environmental studies played a key role in ending his country's civil war. By bringing the warring factions together to discuss the effects of the conflict on the environment, he began a process of dialogue which led directly to the peace in El Salvador.

The Alliance for International Educational and Cultural Exchange

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- American Fulbright professors in Albania have successfully established a journalism program at the University of Tirana, injecting the concept of press freedom into what had been until recent times one of the world's most closed societies.

- Government officials in Kazakhstan, a nuclear-armed former Soviet republic, receive training in American methods of public administration from faculty from the University of Kentucky, supported in part by a USIA grant.

Programs such as these, which typically receive funding from USIA and significant support from a variety of other sources, are extraordinarily cost-effective. A GAO study indicates that every federal dollar spent on exchanges attracts 12 dollars in private support. The relatively modest sums of federal dollars invested in these programs become magnets and magnifiers of resources, attracting and concentrating private support for priority foreign policy concerns.

The University of Kentucky/Kazakhstan relationship is illustrative. With a relatively modest grant from USIA to support a university-to-university linkage, Kentucky has attracted additional state and private funding to support its efforts. In the process, it has made itself a significant player in supporting an important American interest in promoting democratic and market reforms in Kazakhstan.

Federally supported exchanges also leverage dollars from foreign governments, particularly in the Fulbright program, in a way that private programs cannot. Fourteen countries contribute more to bilateral Fulbright programs than does the United States, and continued reductions in funding will jeopardize that support. Austria has announced its intention to cut its support by approximately 53 per cent in reaction to declining U.S. funding. In previous years, Austria provided nearly 70 per cent of the total budget for the Austria-U.S. Fulbright program, but will now follow a strict matching-fund policy.

Beyond financial support, exchange and training programs involve literally millions of Americans in the conduct of people-to-people foreign policy. Grassroots networks throughout the U.S. encompass business groups, local governments, fraternal organizations, schools, universities, and community colleges. This volunteer support is a critical element in the success of these programs.

American citizens involve themselves in these programs because they recognize the importance of international engagement for themselves and their communities. America's economic future depends on its global competitiveness. Trade now represents 25 per cent of our Gross Domestic Product, and its share is increasing. Sixteen million Americans will be employed in export industries by the end of the century. That number will be double what it was in 1990.

The Alliance for International Educational and Cultural Exchange
Page 3

International education fuels American globalization. Our nationwide "trade surplus" in higher education brings in nearly \$7 billion annually and creates over 100,000 jobs. U.S. International Trade Commission figures indicate that education is our fifth largest service "export".

As trade becomes an ever more important source of American jobs, our markets will continue to change. Our traditional trading partners in Europe and Asia will remain important, but most growth -- and most new jobs -- are likely to come from expanding markets in the developing world. Countries like India, China, and Brazil will be increasingly important sources of American prosperity. For Americans to share in this new prosperity, we must have globally literate entrepreneurs -- people who understand languages, cultures, and ways of doing business. We cannot sell our products if we do not know our customers. By the same token, we cannot adequately know our customers without cooperation and support at the federal level. Our future leaders need first-hand experience with these critical and often under-studied countries. We must continue to welcome and educate foreign students who will become our political friends and economic partners.

In the economic realm, we can see the long-term and immediate effects of exchange and training programs. The fastest growing regional markets for American products -- East Asia and Latin America -- are led by political and technocratic elites trained largely in the U.S. These leaders, who attended American universities and high schools, preside over an unprecedented opening of markets, burgeoning trade, and in many cases, democratic reforms.

As long-term investments in exchange pay off, programs are achieving immediate impact. A Flint, Michigan, and Togliatti, Russia exchange partnership resulted in a \$700 million deal for auto parts between General Motors and a Russian company. A similar relationship between the state of Vermont and the Russian state of Karelia led to the opening of six Ben & Jerry's ice cream stores in Russia, which serve over 3000 Russians daily.

American exchange programs have traditionally been administered through a partnership between the government and the nonprofit private sector. The Alliance strongly supports USIA, and continues to believe that an independent Agency will best serve our long-term national interests. In a time of fiscal restraint, we believe it is important to note that the mission of USIA is achieved largely through its programs, and we ask the subcommittee to be mindful of the impact of program cuts on the Agency's effectiveness in carrying out its mandate.

We also believe that as downsizing occurs, the Agency needs to preserve to the maximum extent possible its overseas posts. In conducting exchange programs, USIS posts select grantees, ensure conformance to U.S. policy objectives, and maintain ongoing relationships with returnees. Posts regularly provide important on-the-ground facilitative assistance for privately funded programs which support the Agency's mandate. These functions are critically important and irreplaceable.

USIA's regulatory function is also crucial. In these times of lean budgets, privately funded programs run by American nonprofit organizations extend the Agency's reach and efficacy, and support its mission without the expenditure of federal funds. For example, a wide variety of training programs, which directly enhance the competitiveness and international connections of American firms and workers, are entirely funded and administered in the private sector. Similarly, a wide range of student exchanges at the high school and university levels, camp counselor exchanges, and summer work/travel programs serve the interests of American citizens and communities by offering meaningful interactions with all regions of the world. The Alliance and its member organizations will continue to work with USIA to encourage the right balance between necessary regulation and empowering the private sector to advance the goals of the Agency and the Fulbright-Hays Act.

Senator Fulbright noted that exchange programs bring together different kinds of people to learn side-by-side, building what he called "a capacity for empathy, a distaste for killing other people and an inclination for peace." At the 40th anniversary of the U.S.-Japan Fulbright program in 1992, President George Bush said of that prestigious bilateral exchange, "Not only have the grantees benefited from this collaboration. So have our two nations, along with the world, because the close ties that this exchange fosters between Japan and the United States also help to redouble our efforts to work for greater security and prosperity for all our peoples."

Problems such as peacekeeping, environmental degradation, the eradication of disease, famine, and overpopulation cannot be solved by a single country, or on a bilateral basis. Overcoming these new international challenges will require patient multilateral efforts and a willingness to understand and listen to the views of other countries. The purposeful interactions generated through exchange programs -- joint business ventures, cooperative research, institutional and professional development -- provide a foundation of understanding for working together on matters of critical national interest.

The Alliance and its 62 member organizations are grateful for the opportunity to submit testimony to the Subcommittee. With you, we hope to preserve these programs which so successfully promote our national interests, programs which literally democratize the conduct of our foreign affairs by involving millions of American citizens in productive international relationships. In these times of global challenge and possibility, USIA and its exchange programs deserve the highest possible level of support.



MEMBER ORGANIZATIONS

Academy for Educational Development
 Adventures in Real Communication Year
 Program
 AFS Intercultural Programs
 American Assembly of Collegiate Schools
 of Business
 American Association of Collegiate Registrars
 and Admissions Officers
 American Association of Community
 Colleges
 American Collegiate Consortium for East-
 West Cultural and Academic Exchange
 American Council of Teachers of Russian/
 American Council for Collaboration in
 Education and Language Study
 American Council of Young Political
 Leaders
 American Council on Education
 American Heritage Association
 American Institute for Foreign Study
 Foundation
 American Intercultural Student Exchange
 American-Scandinavian Foundation
 American Secondary Schools for International
 Students and Teachers
 AMIDEAST
 ASPECT Foundation
 Association for International Education
 Administrators
 Association for International Practical
 Training
 Association of Professional Schools of
 International Affairs
 CDS International
 Children's International Summer Village,
 Inc.
 CEC International Partners
 The College Board
 Communicating for Agriculture
 Council for International Exchange of
 Scholars

Council of American Overseas Research
 Centers
 Council of Graduate Schools
 Council of International Programs
 Council on International Educational
 Exchange
 Delphi International
 Educational Testing Service
 EF Foundation
 Exchange: Japan
 The Fulbright Association
 Girl Scouts of the USA
 Institute of International Education
 InterExchange
 International Student Exchange Program
 Japan-America Student Conference
 LASPAU
 The Laurasian Institution
 MAST/PART International
 Meridian International Center
 NAFA: Association of International
 Educators
 National Association of State Universities
 and Land-Grant Colleges
 National Association of Secondary School
 Principals
 National Council for International Visitors
 Ohio Agricultural Intern Program
 Open Door Student Exchange
 Partners of the Americas
 People to People International
 Sister Cities International
 Volunteers Exchange International
 World Education Services
 World Exchange, Ltd.
 World Heritage
 World Learning, Inc.
 YMCA International Program Services
 Youth Exchange Services
 Youth For Understanding

USIA/AID COORDINATION

Q: Mr. Duffey, as you know, I have been concerned about the duplication in exchange programs between AID and USIA. There is also the issue of which Agency is best suited to carry out programs. Which as you know, I don't think that decision should be driven by who holds the funds, but by which agency has the expertise in a given area.

In March you and Mr. Atwood jointly signed a letter describing areas of expertise and future steps for coordination. The letter states, and I quote: 1) the agencies "will work together to ensure programs are well managed and fully coordinated"; 2) the agencies will "study more closely the common elements in programs"; 3) the agencies will "continue to work to clarify their differing exchanges and training objectives and approaches"; 4) the agencies are looking into creation of joint staff teams to improve coordination; 5) both agencies will collaborate on methods to leverage more private sector support; and 6) AID noted they were considering withdrawing from long-term general and undergraduate academic training.

Please respond to the progress that has been made on these items.

A: USIA's Associate Director for Educational and Cultural Affairs and USAID's Assistant Administrator for Global Affairs have convened an inter-agency working group that began meeting in June. At its initial meeting, the working group took up, among other issues, improved use of our global network of Fulbright commissions to carry out USAID exchange and training activities. These commissions are lean and effective organizations with long experience in carrying out these types of programs. Examples of current USAID cooperation with Fulbright commissions include Egypt and Cyprus. Both sides agreed to look at other possibilities, including in countries where USAID will no longer have direct representation.

The two sides have also discussed greater cooperation in English language programs. USAID has agreed to provide a representative to the interagency group USIA has formed to improve coordination of USG international English language training activities, which includes Peace Corps and Department of Defense representatives. Excellent cooperation already exists between USIA and the Peace Corps. Our hope is that USAID, which provides thousands of its participants with supplementary English language training both in-country and in the United States, will rely to a greater extent on the knowledge and expertise of USIA's regional English language specialists, many of whom are already posted overseas under USIS auspices, rather than more costly U.S.-based consultants and contractors. In some instances, USAID project managers do make use of USIA-affiliated English teaching centers for their participant training, and our hope is to widen that practice further.

We are pleased with the progress of consultations to date, and USIA staff is aggressively pursuing further development of the issues that have been identified.

USIA/AID RELATIONS IN SOUTH AFRICA

Q: Mr. Loiello, the AID and USIA efforts in South Africa points out that efforts to coordinate between AID and USIA are still lacking. That is, AID is controlling programs that are USIA-type activities or should be managed by USIA directly. For example, I understand that AID rejected a proposed USIS exchange because the AID staffer did not like the professor USIS wanted to bring to South Africa. What can be done to improve the coordination? Should program funds be transferred from AID to USIA much as is done with the Freedom Support Programs for the NIS?

A: Through the historic South African transition to democracy, USAID and USIA have had a partnership -- originally forged by congress in its "Dire Emergency" funding to assist political parties in that country prepare for upcoming elections -- to support the Mission with tactical professional exchanges to prepare South African for democracy through exposure to America's experiences. In addition to USIA enhanced funding from its own resources, the post in South Africa has had several subsequent transfers of funds from USAID that have helped the Mission respond flexibly to meet urgent policy priorities in a timely manner. These exchanges have grown as the South African transition gained momentum after elections -- with priorities shifting toward policy and economic reforms.

We anticipate that the USIA-USAID inter-agency working group, referred to in the previous answer, will provide a forum in which issues of coordination can be taken up. Because every new initiative requires complex negotiations about interagency procedures, financial transfers, rules and legislative mandates, USIA would prefer that it receive a direct appropriation for South Africa similar to the Freedom Support Programs for the NIS. In this manner, USIA could conduct its programs in support of Mission policy priorities without the need for cumbersome interagency pass-through agreements and negotiations.

TIBET EXCHANGE PROGRAM

Q: I strongly support the Tibetan exchange program particularly in light of the continued oppression by China. How much do you expect to allocate for this exchange program in this fiscal year? How much of a change in funding does this represent?

A: We anticipate awarding a grant this year in the amount of \$500,000 to the Tibet Fund for programs involving Tibetans living outside of Tibet. This level of support would be the same as in fiscal year 1995.

In addition, we have allocated \$100,000 this year to support an effort to develop new programs to be carried out in Tibet. While Tibetans have participated in Fulbright, International Visitor and other China country programs, this new effort would be designed specifically for Tibet.

FULBRIGHT PROGRAM ADMINISTRATION

Q: The Fulbright program handles the final selection of participants through a system of commissions which are supposed to be responsible for recruitment, selection, and administration of scholar programs.

a. Questions have been raised as to the necessity of keeping this system. Is this just another layer of bureaucracy and what are the costs of sustaining it?

b. Are you considering any streamlining of the process for the American nonprofit organizations who administer the program?

A: a. The overseas component of the Fulbright Program is administered by bilateral commissions in fifty countries. The commissions are established through government-to-government agreements and represent an integral element of U.S. foreign policy with the partner country. Commissions not only recruit and select participants in their countries to study, teach and/or do research in the U.S., they also identify placements and support for U.S. students and scholars in their countries. These same bodies also provide educational advising services to citizens of their countries interested in non-sponsored study in the U.S. (there are now 450,000 foreign students coming to the U.S. annually, accounting for approximately \$7.2 billion in revenues).

Perhaps as important as any of the program services that the commissions provide, they also often serve as the conduits for contributions to the Fulbright Program by partner governments. Beyond that, they are increasingly involved in private sector outreach in their countries that yields significant funding and in-kind contributions from local business, multinationals and other private organizations.

In all they do, the vast majority of Fulbright Commissions operate at an administrative cost consistently below the average rate for alternative contractors currently operating in the overseas context. At the Agency's urging over many years and in response to recent general efforts in downsizing, most Commissions have very successfully reduced staffs, streamlined administrative procedures, and stepped up efforts to secure additional sources of funding for program activities.

In sum, the Agency regards the Fulbright Commissions as an essential part of the administration of this key U.S. government activity.

b. For several years, the Agency has required U.S. cooperating agencies assisting in the administration of the Fulbright Program and other sponsored exchanges to demonstrate annually that they have ongoing efforts in place to streamline administrative procedures and provide services on the most cost-effective basis possible. These efforts have been facilitated in recent years through improvements in electronic communications and more sophisticated data tracking. Over the past year streamlining has also meant significant reductions in program staff as well as more intense efforts to bring in additional cost-

sharing and direct private contributions. These approaches will continue in FY1997 and beyond.

The Agency is also assessing the possible benefits of openly competing the Fulbright administrative grants that have been held by four core grantee organizations over many years. Before we proceed with that approach, we want to be sure that potential savings and/or improvements in services would not be outweighed by a significant loss of continuity or connection with fund-raising networks now in place.

MUSKIE FELLOWSHIP PROGRAM

- Q: In the past five years a number of targeted exchange programs have been created for or limited to students and professionals from the former Soviet Union such as the Muskie Fellowship Program. Yet the goals of many of these programs, to speed the transition of former communist governments to market reform and democratization, are just as valid for Central and Eastern European countries who also suffered under a legacy of communist rule. Does the Agency support extension of eligibility for these programs to the countries of Central and Eastern Europe?
- A: USIA believes firmly that we need to maintain our exchange engagement with Central and Eastern Europe, and the models of programming used in the former Soviet Union are applicable in facilitating the transitions occurring in Central and Eastern Europe. However, the expansion of programs such as the Edmund S. Muskie Fellowship and the Regional Scholar Exchange into Central and Eastern Europe would not be possible without additional support. If we expanded the programs during this time of shrinking resources, we would dilute the effectiveness of these programs in all regions. Should additional funds be made available, we could easily and quickly extend the eligibility of these highly successful programs to Central and Eastern Europe. We already conduct a graduate-level program in the region very similar to the Muskie Program called the Central and East European Graduate Fellowships, soon to be renamed the Ron Brown Fellowships, but funding for faculty fellowships and undergraduate programs would still be needed.

U.S. PARTICIPANTS VS. FOREIGN PARTICIPANTS

Q: In looking at the 1994 annual report compiled by USIA, on page 96 is a bar chart showing U.S. participants vs. foreign participants in exchange programs. Why are there so many fewer Americans participating in these programs?

A: The referenced chart is for exchanges and training programs reported by all U.S. Government agencies and includes programs designed specifically for the training of foreign participants in the United States, such as the Agency for International Development's U.S.-Based Participant Training Program and the Department of Defense's Foreign Military Sales Training Program.

USIA's own exchange programs do support relatively more foreign than U.S. participants, as indicated in the table on page 82 of the same report. Several USIA programs, such as the International Visitor and Humphrey Fellowship Programs, are designed specifically for participants coming to the U.S. from other countries. These programs advance the vital foreign policy-drive objective of directly exposing current and future foreign leaders to the policies, values and institutions of U.S. society.

PROGRAMS IN WESTERN EUROPE AND CANADA

Q: With reductions in the exchange budget, do you anticipate that there will be a regional shift from Western Europe and Canada to other parts of the world? Is USIA reevaluating their regional priorities?

A: We are, indeed, reevaluating regional distribution of resources as part of an ongoing review of Agency priorities. USIA direct obligations for exchange programs in Western Europe and Canada already are the lowest of the six geographic areas, and would be significantly lower than all others were it not for the relatively large, Congressionally-mandated Congress-Bundestag Program in Germany. In terms of the number of participants in USIA-supported exchange programs, the relatively high number coming from or going to Western Europe largely reflect the high levels of cost-sharing by the governments of those countries, especially for academic exchange programs. Even so, some eighty percent of the participants in all USIA exchange programs were in areas outside Western Europe, with the largest concentration (46%) in Eastern Europe and the NIS.

We are reevaluating priorities in the light of competing needs for diminishing resources. At the same time, though, we are mindful of the traditional strategic importance of Western Europe to the U.S. and its policy interests. Western Europe is our biggest trading partner, and the countries of NATO and the European Union are our main allies on a host of international issues.

CORE GRANTEES

- Q: USIA lists 7 “core” grantees. Please provide an explanation for maintaining this core list, and if there is consideration for changing the procedure for awarding these grants.
- A: USIA’s Office of Citizen Exchanges currently solicits, on a non-competitive basis, annual grant proposals from seven organizations. Some of these organizations are involved in implementing bilateral accords, based on agreements with their counterpart organizations, which are usually affiliated with the partner country. Other organizations are judged to have expertise or networks of contacts (e.g., the partnerships developed by Sister Cities International or the Partners of the Americas) that are uniquely effective in meeting Agency exchange program objectives.

The procedure for awarding these grants has changed over time. The approach to dealing with these organizations, and the identification of the organizations themselves, were originally discussed with the Congress in the early 1980s, partly in response to Congressional interest in particular organizations or programs. Since then, funding of several organizations on the original list has been discontinued, and the Agency has focused attention on working with the remaining organizations to focus our support on activities that specifically support Agency objectives and priorities.



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